

CHAPTER 15

COMPARISON SHOPPING CAN PAY OFF

I met Judy Cushman in the early 1990s when I was working at the biotechnology company, Immunex. She worked in executive search for biotechnology and other corporate clients in the Seattle area and nationally. We recently reconnected after her sister's death when Judy developed an interest in the field of health advocacy. She shared a recent personal story about an eye procedure that she had, pointing out that even a savvy, intelligent, engaged patient like she is, can learn additional questions to ask before a potentially costly surgery. What she didn't know beforehand was that when you pick certain doctors or locations for surgery, the cost can vary extraordinarily.

Judy was seen by her regular eye doctor for a scheduled routine exam. Her doctor mentioned that Judy had spots or floaters in her eyes. It was not a dangerous condition, but it impaired her vision. Her doctor recommended a retinal specialist group and gave her their card. Having always been proactive about her health, Judy said she had absolutely no fear about asking questions. She considered herself far more informed than most people about health matters. She followed up and made an appointment, initially knowing

very little about this specialized practice area. So, in advance of her first retinal eye appointment, she asked:

- “Do I need a driver?” (yes)
- “Will the doctor be dilating my eyes?” (yes)
- “How long will the appointment be?” (half day)
- “Will my insurance cover the appointment charge?” (yes)

In addition to the extensive tests, the eye specialist asked her a number of questions about how impactful the floaters in her eye were, and Judy answered the questions honestly. The specialist told her the good news that she qualified for vitrectomy surgery. The surgery would replace the fluid in the eye, remove the floaters, and “clean up” the lens in her eye.

The next step was to line Judy up for the hospital where the specialist operated. The specialist said that they chose a specific hospital because they had the best equipment and the most up to date services. Judy assumed that the hospital was in-network and therefore covered by her insurance because both the original doctor and the specialist were covered by her insurer. She agreed to the procedure.

However, two weeks before she was due to be at the hospital, her retinal eye doctor’s nurse called Judy and said that the hospital for the surgery was out of the network. In this case, her surgery would not be eligible for a negotiated rate. She would have to pay 50% of the \$20,000 surgery. Judy decided to not have the surgery. \$10,000 was too expensive!

Judy was determined to find another eye surgeon who could perform the surgery in-network. She called her regular healthcare provider who was in-network and determined they had specialists

who could perform the surgery. She went through the entire set of tests again. Her eyes were again dilated. This took a half day as before. She assumed, since she had qualified to have the procedure previously that she would be qualified with a new doctor. Even with the same exam, the second doctor, who was admittedly very conservative, said she would only perform the procedure if Judy were virtually blind. The doctor felt she was borderline and therefore would not offer her the procedure. The doctor recommended she seek another opinion.

Frustrated that she had spent so much time without resolution, Judy researched other specialists and found one that did nothing but retinal surgeries. The specialist group happened to be 15 minutes from her home. This time before her exam, the specialist sent a note about what to expect from the exam. The office said that her eyes would be dilated, she would need a driver, etc. Although she was not happy about going through three exams of the same type of tests for the same problem, she was impressed with this specialist's practice.

They told Judy that she did qualify for the procedure and the cost to her was 15% of the negotiated in-network cost, which equaled about \$600 out of pocket. However, they also noted that they contract out for anesthesia, which is not unusual. She tracked down the anesthesiologist to ask what the cost would be. Fortunately, the anesthesiologist, although contracted, was in-network and covered by her insurance. At least she wouldn't be surprised by the costs.

If Judy hadn't been told that the original specialist was out of network, she would have had to pay \$10,000. Judy summarizes what she learned from this experience in the "Using this information section" below.

WHY IT MATTERS:

- The cost of healthcare is now Americans' top financial concern, according to a Gallup Poll.⁵¹
- The cost of out of pocket expenses has increased by more than 41 percent between 2010 and 2014,⁵² and more costs are being shifted to patients.
- There is wide variability in costs for the same procedure, and patients believe that comparison shopping is important, but few people actually do it. In a study published in *Health Affairs*, only 13% of respondents sought information about expected costs before receiving care, and only 3% compared costs of providers before receiving care.⁵³ Checking the costs can save you thousands of dollars!
- Sometimes it matters where you have your test, procedure, or surgery.

USING THIS INFORMATION:

1. Don't assume that just because your doctor has the card of a specialist that your doctor actually knows the specialist well. You can ask your doctor if they recommend the doctor; if your doctor knows the specialist; and if there are any cross-referral fees associated.

⁵¹ <https://news.gallup.com/poll/212780/cost-healthcare-americans-top-financial-concern.aspx>

⁵² Bloche MG. Consumer-directed healthcare. *N Engl J Med.* 2006; 355 (17): 1756 – 9. Crossref, Medline, Google Scholar

⁵³ <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2016.1471>

2. Make sure to understand before your appointment, procedure or visit, if your insurance will cover it. Like in Judy's case, sometimes you have to research the provider to check first.
3. Always ask how long the appointment or procedure will be, so you will be prepared. Unlike a normal business appointment where you typically have a scheduled amount of time agreed to in advance, patients don't always ask this important question.

SPECIFIC LANGUAGE YOU CAN USE:

- What are all the costs associated with this test/procedure/visit/hospitalization?
- Are these costs covered by my insurance, and what will I be responsible for?
- Is the referral you are providing someone you know well? Are there any financial incentives in place for this referral?
- I plan to seek a second opinion; please provide my records so I understand the tests and opinion you have provided. I would like to come back to discuss my options.
- Are there options for where to have this procedure? Do they vary in cost?
- Are there any contracted medical personnel (like anesthesiologists) who are not covered in the cost estimate you provided?

ADDITIONAL READING AND RESOURCES:

- Leapfrog is an online resource to help you choose the best hospital and doctor using price transparency and quality tools: <https://www.leapfroggroup.org/compare-hospitals>
- Medicare.gov has a site called Hospital Compare: <https://www.medicare.gov/hospitalcompare/search.html?>
- Cost comparison tools: <http://www.truthinhealthcare.org/consumer-resources/cost-comparison-tools/>