



THE SHOW ME MONEY

WHY PRICE TRANSPARENCY FOR PATIENTS IS GOOD FOR PROVIDERS, TOO

Giving patients the price transparency they want promotes responsible consumer healthcare planning, builds trust and loyalty, and helps providers avoid financial headaches in the long run.

It's no secret that healthcare consumers would like pricing information from providers in advance of care: 91 percent of patients say it is important to know their out-of-pocket costs up front, according to a recent Accenture survey¹, and 47 percent would even consider switching providers to understand their costs at the time of scheduling².

Why they want to know may be more surprising, however. According to surveyed consumers, offering price transparency up front does not change most patients' buying behaviors. Nearly half (46 percent) say they require the information for budget planning purposes, but it does not affect where or when they receive services. Only 11 percent use it to shop around³ (Figure 1).

Survey results show that consumer attitudes towards healthcare price transparency are consistent across several factors, including employment status, insurance coverage type and cost sharing level.

Many providers still do not offer the transparency healthcare consumers seek. About half (49 percent) of consumers surveyed said they knew their estimated out-of-pocket costs prior to seeing a medical professional, but only about a quarter were informed by their providers⁴. For the rest, the burden was on the patient to seek out the information on their own, potentially impacting the accuracy of cost estimates obtained, as well as preventing the provider from having financial education and payment discussions with the patient.

Providing cost information up front and offering healthcare consumers financial education and support could be critical market differentiators for providers.

Here's why.



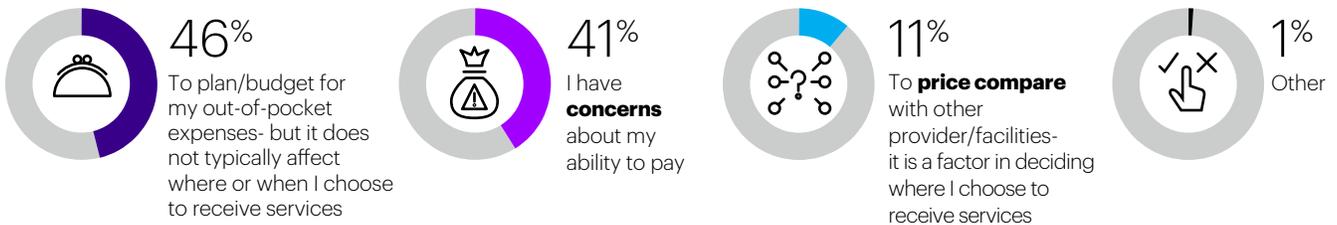
PRICE SENSITIVITY

If patients know the costs of the medical service they seek, the majority (60 percent) choose to proceed with the provider of their choice. Most of the rest (23 percent) opt only to delay care, rather than cancelling it altogether or choosing a lower-cost provider⁵, suggesting that improved financial education and support could improve traction and adherence to health care planning (Figure 2).

FIGURE 1. Almost half of consumers say they require healthcare service price information to aid with budget planning.

Only 11 percent of consumers use price information to shop around for other providers.

Why is knowing your out-of-pocket price estimate important to you?

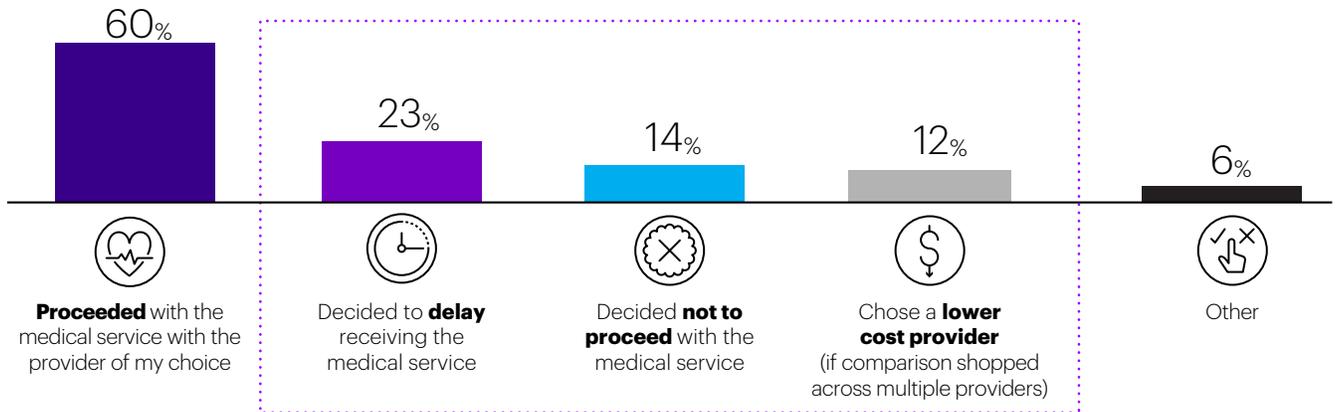


Source: Accenture research

FIGURE 2. Once patients have the cost information they seek, most choose to proceed with the service with their current provider.

Most patients who do not proceed opt to delay care as opposed to cancelling or changing providers.

In the last 12 months, did you take one of the following actions as a result of learning your estimated out-of-pocket costs? (Respondents could select more than one answer.)



Source: Accenture research

Perhaps unsurprisingly, healthcare consumers reported more price shopping for routine services such as dental (40 percent) and vision (35 percent), but were significantly less price sensitive for services such as diagnostic testing (24 percent), chronic illness treatment (15 percent) and surgical procedures (13 percent)⁶ (Figure 3).

However, Gen X and younger consumers are more than three times as likely to price shop as older generations (17 percent vs. 5 percent), a trend likely to intensify as younger consumers mature⁷.



CAN I AFFORD IT?

Affordability is plainly a pervasive issue for patients, a close second to budget planning as a driver of the quest to understand costs (Figure 1). Not surprisingly, the uncertainty is greater for uninsured respondents. But nearly 40 percent of insured respondents also expressed concerns about their ability to pay⁸ (Figure 4).

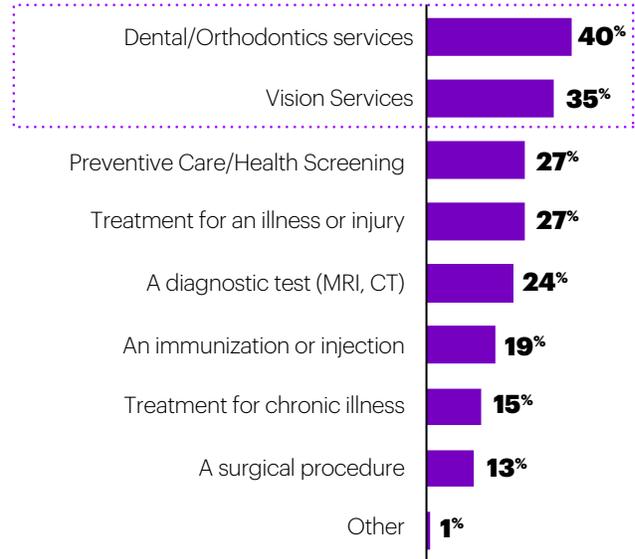
As insured cost sharing grows, so do the numbers of underinsured patients, who require a different level of financial education and assistance. It's not that these patients cannot afford to pay anything, but they have some degree of difficulty and fall somewhere on the spectrum of needing partial assistance paying their bills. It's harder to detect them without up-front communication. Most providers already have the required financial assistance programs in place—they just need to enable consumer access and awareness. In return, they can improve payment adherence to plans that work for patients, and ultimately improve overall collections performance.

Figure 3. Patients have shopped around for routine services.

Consumers have less price sensitivity if the service is unique.

For which type of services did you choose a lower cost provider?

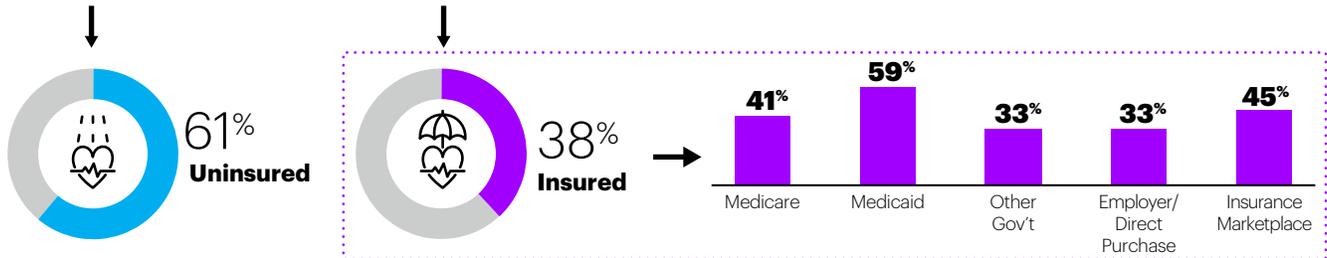
(Respondents could select more than one answer.)



Source: Accenture research

Figure 4. Affordability is a significant concern for both insured and uninsured patients.

I have concerns about my ability to pay.



Source: Accenture research



EDUCATE TO DIFFERENTIATE

Survey findings strongly suggest that price transparency and better financial education and support play an important part in addressing consumer concerns and buying behaviors. By promoting informed choices, transparent communication could encourage responsible budgeting, improve traction and adherence to healthcare planning, and reinforce the patient/provider relationship. It could also be a financial boon for providers facing the [looming collections crisis](#)⁹. Nearly 40 percent of patients surveyed said they would pay medical bills in advance if they knew their costs¹⁰, and generally a provider's ability to collect patient responsibilities is much higher when price transparency and payment conversations occur up front. Providers are in the best position to give patients accurate up-front information about their out-of-pocket costs. Doing so would foster trust and loyalty, especially among younger demographics.

The time to start is now.

REFERENCES

- ¹ Accenture 2016 Patient Price Transparency Survey
- ² Accenture 2014 Healthcare Consumer Survey
- ³ Accenture 2016 Patient Price Transparency Survey
- ⁴⁻⁸ Ibid.
- ⁹ Drowning in Bad Debt: The Looming Patient Payment Crisis, Accenture, 2016
- ¹⁰ Accenture 2016 Price Transparency Survey

METHODOLOGY

Accenture surveyed 2,000 US consumers, men and women aged 18+, both employed and unemployed, to assess how price transparency and affordability impact their behaviors related to medical services. The online survey, which Accenture conducted between August and September 2016, included both insured and uninsured consumers across eight regions: New England, Mideast, Great Lakes, Plains, Southeast, Southwest, Rocky Mountain and Far West, based on The Bureau of Economic Analysis definition of regions for comparison of economic data. The analysis provided comparisons by region, gender, age, household, employment and insurance status.

FOR MORE INFORMATION:



Sarah L. Sinha

sarah.l.sinha@accenture.com



Diana D. Sessions

diana.d.sessions@accenture.com



Marie-Louise Saratsiotis

ml.saratsiotis@accenture.com

CONNECT WITH US



@AccentureHealth



AccentureHealth

ABOUT ACCENTURE INSIGHT DRIVEN HEALTH

Insight driven health is the foundation of more effective, efficient and affordable healthcare. That's why the world's leading healthcare providers and health plans choose Accenture for a wide range of insight driven health services that help them use knowledge in new ways—from the back office to the doctor's office. Our committed professionals combine real-world experience, business and clinical insights and innovative technologies to deliver the power of insight driven health. For more information, visit: www.accenture.com/insightdrivenhealth

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world's largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 425,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

Copyright © 2017 Accenture
All rights reserved.

Accenture, its logo, and High Performance Delivered are trademarks of Accenture.

