

## Washington insurers unveil new ways for patients to pick docs

### Shared patient feedback and price transparency expected to lower health-care costs in free market

by Peter Neurath Contributing Writer (**Puget Sound Business Journal, 02/01/08**)

As health insurers continue to give their members more online information about the cost and quality of medical services, Regence BlueShield and Aetna are moving this trend still farther forward. Providing such information heartens those who advocate more reliance on market forces, rather than on more government regulation, as the best way to get a handle on the country's staggering health costs.

In April, **Regence will enable its 3 million members to read online comments from fellow members about their experiences with doctors, dentists and other health-care professionals.**

**Aetna**, a national insurer with about 490,000 members in Washington, **recently began giving members online information about prices charged by hospitals, surgical centers and other facilities for some 30 common procedures**, such as colonoscopies and hysterectomies. Prices vary, sometimes considerably, and Aetna members can take this into account when deciding where to have something done. For instance, for a lower-back MRI, one Seattle hospital charges between \$1,880 and \$2,085, while another charges between \$923 and \$1,364. In Aetna's view, many consumers go online to search out price and quality information about cars, appliances and houses, so the Hartford, Conn.-based insurer has set out to give its members this information about health services.

Two years ago, the insurer began giving members online information on prices charged by specific doctors. Members, for instance, can see that Seattle Dr. A charges \$76.47 for an office visit, while Dr. B charges \$92.52.

For its part, Regence found that its members would rather know about what other people have experienced with Dr. A and Dr. B rather than what they charge. People often ask their family, friends and neighbors for recommendations about doctors, said Dr. Jeff Robertson, Regence's executive medical director. Soon, Regence members can read online about what each other has to say about what they like and dislike about their doctors. "This new feature effectively broadens the resources available to our members by encouraging feedback about their health-care experience," Robertson said.

Markets can't work without price and quality information, which some experts say is one reason why the nation's health-care system is dysfunctional. Another, they say, is that to the extent that insurance shields patients from the true cost of health services, there's less motivation to shop. The solution they propose: Put money directly into the hands of patients, as with health savings accounts, and give them price and quality information. Then competition can work its magic, just as it has with cell phones and other consumer goods.

Even with insurance, though, health-care costs are so high that patients with stiff deductibles or co-insurance may well begin to do more shopping. If co-insurance requires patients to pay, say,

20 percent of the cost of a lower-back MRI, it may well interest them that Hospital A charges several hundred dollars while Hospital B charges several thousand, said Dr. Andrew Oliveira, of Seattle, senior medical director for Aetna's Northwest markets.

The next question, he said, is whether there's a difference in quality between these two hospitals. If their doctors say no, and assuming the doctors work at both hospitals, patients may ask for Hospital A. "Site of service transparency" is the most exciting information Aetna has added for its members, Oliveira said. "You're starting to see big differences in dollar amounts."

How effectively will plentiful, understandable and accessible information about prices and quality moderate the steep climb in health-care costs?

"No one knows the answer yet, because we're still in the early stages" of this trend, Robertson said. "We won't know until we try it, but it seems to have worked in every industry in our country for which the free-market approach has been taken."