

How Healthcare Payers Innovate Tools to Improve Price Transparency

New tools improve price transparency, letting providers see members' actual out-of-pocket costs and giving members access to provider cost information.

By Kelsey Waddill / July 25, 2019

Healthcare payers are continuing to respond to industry pressure to address price transparency challenges, tapping healthcare technologies that will help them understand the true cost of patient care.

At Blue Shield California (BSC) these types of tools have helped cut out-of-pocket drug spending for members.

BSC's providers faced what the payer's vice president of pharmacy, Matt Nye, called an "ancient" problem.

"The doctors don't have all the information they need at the point of prescribing to make the best decision," Nye explained to *HealthPayerIntelligence.com*. "One of the things that they lack is drug prices."

In order to make the best price decision for their patients, providers would need to know the patient's copay for the medication.

And things get more complicated when that physician is a part of an accountable care organization, of which BSC hosts 42. In these cases, physicians also need to know what the risk-sharing arrangement will cost them.

Instead of making an informed decision, physicians and patients often will not know the full price until the drug has been picked up and the explanation of benefits (EOB) delivered to the member.

And although providers have access to this kind of information via formulary tools and other drug price transparency tool, they require too much maneuvering between electronic systems to be useful. The tool has to be in a clinician's natural workflow to be meaningful, Nye said.

To solve this issue, BSC turned to Gemini Health.

The tool serves two purposes. First, providers now have access to a full picture of the BSC member's drug history and details about the member's insurance plan. The system then summarizes the amount the member spends on prescription drugs and it determines the actual out-of-pocket costs of the drug the provider is considering.

Next, the technology suggests lower-cost alternatives. It matches the current drug with lower-cost, dose-equivalent options to decrease the member's out-of-pocket costs.

The data appears within the provider's EHR system, incorporated into the provider's natural workflow.

As a result, clinicians see fewer pharmacy call-backs and enjoy greater productivity. The tool makes out-of-pocket costs more reasonable, which usually has a positive impact patient satisfaction and medication adherence.

Other payer organizations are also tackling the price transparency challenge.

Whereas Nye and BSC took on price transparency from the provider's point of view, Health Care Service Corporation (HCSC)—which runs Blue Cross Blue Shield in Illinois, Montana, New Mexico, Oklahoma and Texas—brought price transparency to their members.

A new suite of tools, which the payer developed over the past few years, helps HCSC members assess their out-of-pocket costs for network providers.

“The cost of care for medical services can vary significantly across health care providers,” Tom Meier, vice president of Market Solutions at BCBS of Illinois, Montana, New Mexico, Oklahoma & Texas, told *HealthPayerIntelligence.com* in a written statement. “It's important for members to have access to transparency tools that provide meaningful, actionable information, such as comparing quality and cost metrics to make informed decisions to get the best health care value.”

The Provider Finder is an online tool which members can access on most internet-enabled technologies by logging in to their Blue Access for Members. The price transparency tool outlines the cost information for available providers and hospitals.

HCSC also offers patient access to Benefits Value Advisors (BVAs), who are qualified personnel accessible by phone whose aim is to assist members in selecting their benefits options. The goal is to find the plan that satisfies the member's needs and lowers out-of-pocket spending through information and price transparency.

“With the assistance of a BVA or our Provider Finder tool, members can ‘shop’ or compare cost and quality information on a variety of nearby providers, facilities and procedures,” Meier explained. “This program guides members to cost-effective [for medical or procedure] options and can help them achieve measurable cost savings and earn additional cash for selecting cost-effective, quality care.”

Amid pressure from the federal government to improve price transparency and conflict regarding the best solutions to pursue, innovations such as BSC's Gemini and HCSC's suite of tools demonstrate some payers' efforts to bring down members' out-of-pocket costs and drug spending.