

# Compliance with Price Transparency Mandate

*Building Empathy and Empowering Patients*



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## Abstract

This point-of-view describes how the Price Transparency Final Rule will help to build patient trust in healthcare organizations and services by disclosing hospital standard charges across the healthcare ecosystem. Transparent display of 300 shoppable non-urgent services will enable competitive market pricing and improve decision making for payer and payee service need. The objectives of this paper is to enable transformation in the healthcare industry by empowering patients to take charge of their healthcare services and finances, and to help redefine patient experience by facilitating healthcare entities to build empathy. The transparent shoppable procedure pricing and related data will accelerate personalized service offerings for patients and reaffirm the patient trust in the healthcare organizations. This will also help patients to proactively plan for their healthcare spend and compliance with care. The paper illustrates how with the use of deep AI models and Digital Human Avatar, an-“always-on”, personalized and sentient patient experience related to healthcare services and costs can be provided to empower patients that will in turn build and establish empathy and trust within the healthcare ecosystem.

## Introduction

The healthcare industry has seen major shifts over the last decade from significant healthcare reforms with the passing of the Affordable Care Act (ACA) and the mandate for Interoperability and Patient Access to enabling data exchange across the entire healthcare ecosystem. The industry also witnessed the emergence of the use of Telehealth and virtual services which is further accelerated by COVID-19. With the onset of the pandemic and the need to maintain social distancing it has become imperative for the healthcare industry to devise alternate ways to provide care to minimize risk of infection. This has in turn stimulated the need for mobile labs and imaging, hospital-at-home model with a personalized approach to managing patient's health and interactions with medical professionals. The transition to virtual care has also reiterated the importance of providing a sentient patient experience and empathy using Artificial Intelligence, IoT and other niche technologies. As the industry experiences the embedding of technologies to deliver care through alternate delivery models, the need to empower patients not only with their health data but also with transparent sharing of the anticipated healthcare costs and financial planning is a critical need. The increased exposure of patients to high and unpredictable healthcare costs has led the U.S. government to issue an executive order mandating Price Transparency in Health Care - OPPI Price Transparency Final Rule (CMS 1717 F2), which requires compliance by January 2021.

## Purpose and Intent of the Price Transparency Final Rule

As stated in the legislation, “The purpose of the Final Rule effective January 1st, 2021 related to Price Transparency Requirements for Hospitals to Make Standard Charges Public is to establish requirements for hospitals operating in the United States to establish, update, and make public a list of their standard charges for the items and services that they provide”. This include 300 shoppable services, 70 of which are CMS specified and the remaining 230 to be selected by the hospitals.

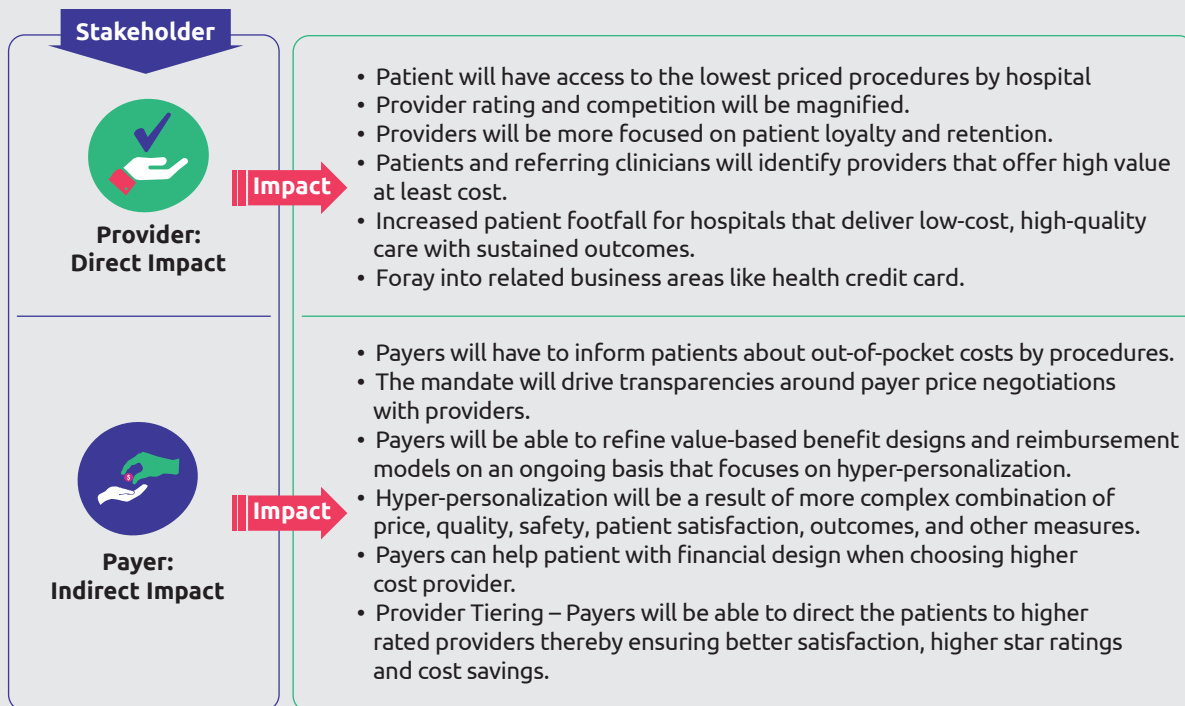
The intent of the Final Rule is that by disclosing hospital standard charges, the public (including patients, employers, clinicians, and other third parties) has the information necessary to make informed decisions about their care. CMS believes that the impact of these final policies will help to increase market competition, and ultimately drive down the cost of health care services, making them more affordable for all patients.

Hospitals publishing the charges for non-urgent procedures and services openly will enable the public to assess, compare and plan their healthcare related costs, choose hospitals based on procedure costs and other relevant factors. This will help minimize surprise bills and financial burden post the medical procedure. The final rule will also help the public compare services included in the procedure and understand the relevance of them in the context of their care.

Coupled with the Price Transparency Final Rule for hospitals, is the proposed Transparency in Coverage Proposed Rule (CMS 9915-P) for Health Insurers and Group Plans to make their prices transparent. Thus, the proposed coverage rule would require health insurers and employer-based group health plans to disclose price and cost-sharing information to all stakeholders soon.

## Price Transparency Final Rule - Impact on Payers and Providers

Price Transparency will empower patients to craft smart healthcare purchases through informed decisions. It will increase competitive pressures in health care markets and lead to lower prices, enhanced quality of care and improved patient experience.



## Price Transparency - Gaps, Challenges and Opportunities

Getting an estimate of the price before the actual procedure is performed is complicated and can be challenging due to the following reasons:

- Innumerable benefit design structure within plans reduces the possibility of common data elements.
- Variations in what is included in co-pay, co-insurance, co-deductible and annual deductibles by benefits and plans.
- Hospital specific negotiated price with the payer based on multiple determining factors.
- Waiting time to receive the actual amount (billing) owed by the patient much after the procedure is completed.
- Patient difficulty to understand the complicated explanation of benefits.

- Lack of clarity on pricing around what is covered/ not covered in a procedure service charge such as hospital stay versus doctor fees.
- Minimal support for patients to receive healthcare financing and guidance especially for procedures and associated costs.
- Reduced capabilities for payers to enable patients with an ability to compare the best option based on preferred criteria.
- Need for patients to reach out to customer support for cost clarification and lack of tools for easy access.

The challenges listed are few of the many leading to a lack of control over a patient's own healthcare costs, leading to a reduced patient experience and trust. The onset of the pandemic has resulted in greater speed at which healthcare is experiencing digital adoption to create an "always-on" personalized interaction and enable patients to control their healthcare spend which will empower, build empathy and trust in patients just like the online consumers experience in online retail shopping gives them full control over what they spend on and the ability to compare and decide their purchases.

## Why is Patient Empathy Important?

Patient Empathy increases trust and thereby results in better patient outcomes, higher rate of patient compliance towards recommended courses of action, better patient satisfaction, better communication, improved perception of healthcare, and attracting and retaining patients. Particularly interesting are the facts that:

- Top 10 most empathetic companies “increased in value more than twice as much as the bottom 10 and generated 50% more earnings.”<sup>1</sup>
- 42% of Americans would refuse to buy something from a company they perceive to lack empathy<sup>2</sup>

Millennials often have non-existent relationships with their doctors, but they believe digital health through a positive experience has the potential to meet their “right-now” expectation and bring in loyalty. The future of healthcare hinges on digital technologies but need to be coupled with empathy to create the personal connection so often missing with digital platforms. Building empathy is the first step towards creating a sentient personalized patient experience

## Proposed Approach for a Sentient Patient Experience

It is imperative for payers to become a single touchpoint for their patients by providing enabling tools that can empower patients to seek the

information they need at their fingertips and facilitate a personalized interaction each time. The need to create an “always-on” personalized interaction that enable patient to compare and control their healthcare choices and spend specially for procedure pricing and proactive personalized cost estimation is the need of the hour. The approach requires the use of digital alternatives for human interactions that can project the empathy and guidance a patient needs to make important healthcare decisions. This will reduce the burden on the payer for customer care support, promote patient trust and empower patients to make the necessary healthcare decisions independently. Payers will build empathy through digital tools such as the use of AI and Digital Human Avatar that can guide patients with minimal human interface and a more online retail driven experience.

The suggested approach is to provide a Single View of Consolidated Provider Procedure Pricing and Star Rating (Provider Quality) without any authentication (public access). Additional filters are also enabled to select the most appropriate provider and schedule an appointment. In addition, the intent of the approach is to also provide a patient with accurate and personalized cost estimator based on their individual spend and the ability to converse with the caregiver to clarify about the services and what they entail. The approach will include healthcare financing options to patients to reduce the financial burden especially when they are due for a procedure. The approach strives to make healthcare services and pricing to be on par or exceed the retail experience by making it simple, easy to understand, competitive, comparable and reduce the worry when seeking care with minimal human interaction with the use of digital human avatar.

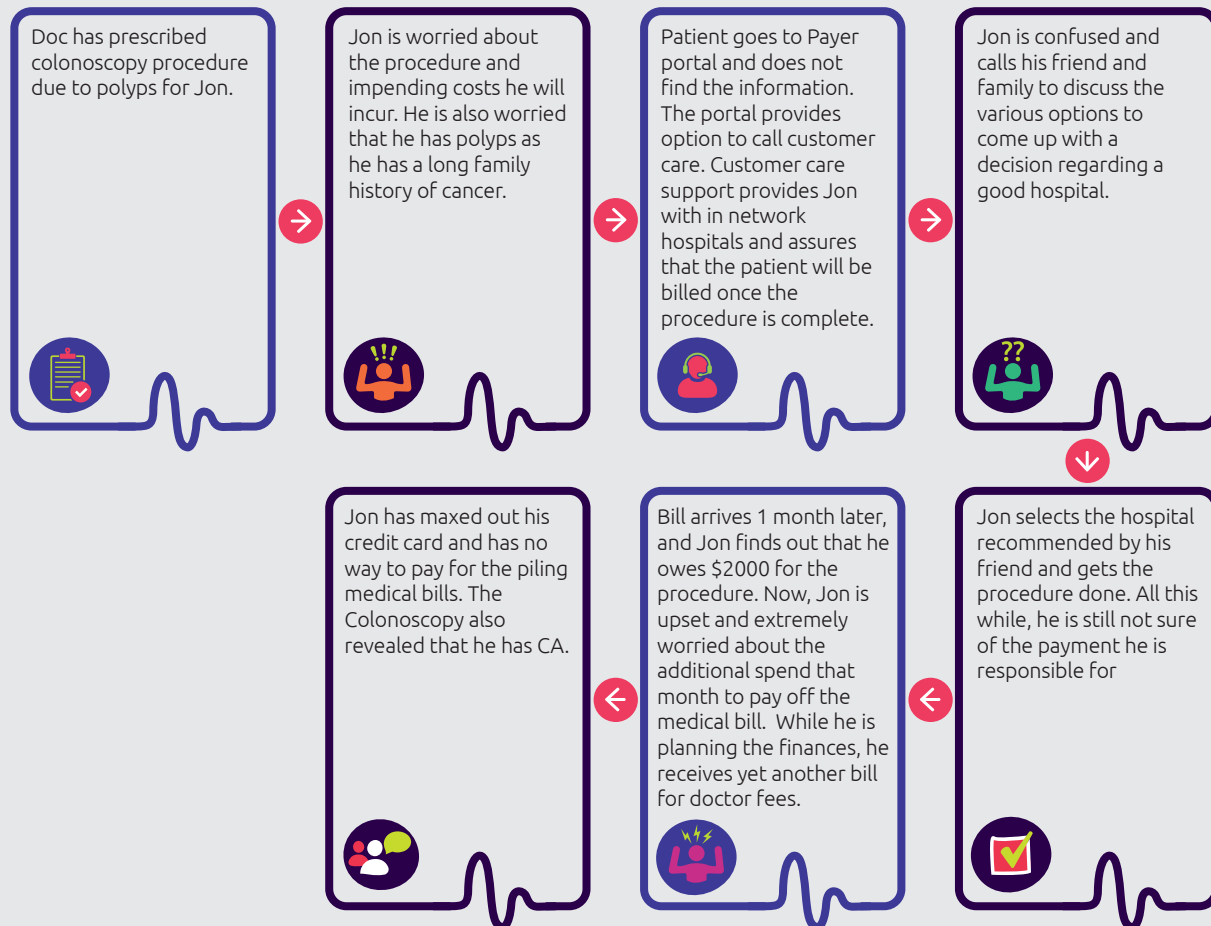
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<sup>1</sup> HBR Study of The Most (and Least) Empathetic Companies accessed @ <https://hbr.org/2015/11/2015-empathy-index>

<sup>2</sup> Businessolver -2020 State of Workplace Empathy accessed @ <https://www.businessolver.com/resources/state-of-workplace-empathy>

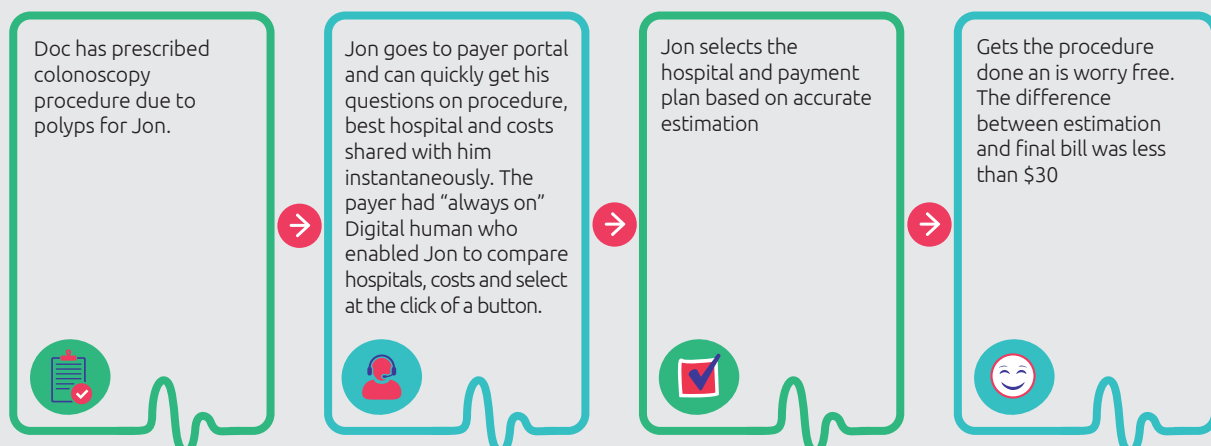
The current and the reimagined customer journey as compared to the current one is given below:

## Current Journey



## Reimagined Journey

*Empathy, Empower, Sentient and always on from "Unknown to Known"*



## Value Proposition for Payers

Along with providing the details that are requested by the patients, this solution provides an opportunity to the payers to not just comply with Price Transparency mandate, but also ensure that they are able to provide the much needed empathy driven patient experience by integrating with the various providers to negotiate better pricing for their patients. It will help in provider tiering thereby helping map the patients to the right providers and driving the desired sentient patient experience and subsequent higher star ratings.

The hyper personalization with the use of retail online shopping experience in the likes of Amazon and others and the integration with the conversational Digital Human provides the simplicity that has been lacking in the industry. This not just provides a transparent and easier way to shop for medically necessary services but also empower patients to make their own healthcare decisions both from cost and care choices.

## Way Forward

Price transparency mandate targets the providers to expose the rates for 300 non-urgent procedure items and services. Convenience is less of a priority when tackling health concerns: younger generations travel longer distances to seek a lower-cost solution, while

those over age 65 prefer high-quality options, even if they are less convenient. With greater ability to choose, majority of patients may move to the lower-cost, in-network options that are of average quality rather than choose the higher-quality, higher-cost options.

It is time that the healthcare industry truly came to age in creating and providing a transparent online retail experience with the human like connect to minimize the fear of unknown, anxiety related to their health procedures and outcomes and facilitate a seamless and trustworthy experience. While it is not an immediate transition, price transparency is a step towards alleviating some of the issues with high medical costs. Unlike the retail shopping, a procedure once chosen and used cannot be returned or reassured of a money back guarantee and hence needs to include the sensibilities that allow the patient to feel confident in their planning, choosing and experience of the care. There needs to be an end to end view of the integration and getting the payers, providers and other stakeholders in the ecosystem will help getting the Price transparency as the new normal in the healthcare industry. Thus, active stakeholder participation with patient at the centre is the key for Price Transparency. Healthcare companies that lead the way in transparency will build relationships with patients to make effective and informed health decisions. These companies that can provide greater value to patients will benefit from increased patient satisfaction.

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Jay heads for Capgemini’s solution development, innovation and thought leadership strategies for healthcare. Her focus is to Explore, Engage, Enable and Establish solutions to address business problems within an Enterprise context with minimal disruptions and optimal outcomes.

Jay is a clinical practitioner with 27+ years of hands-on patient care expertise, regulatory knowledge, digital and data experience enabling stakeholders within healthcare and life sciences industry to evolve, strategize and implement future proof solutions. She has been a speaker in AHIP and other healthcare conferences in US and within India. Prior to Capgemini, she was with Infosys Consulting leading their healthcare practice.

As a rehabilitation practitioner, Jay holds a Master’s in health sciences and a Doctorate in Business Administration in Healthcare Management and Leadership. In addition, Jay is an ICCDP certified trainer for Alzheimer’s and Dementia and Dschool certified Design Thinker. She is also on the board of select healthcare start-ups.



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A small version of the Capgemini logo, consisting of two overlapping blue circles, is positioned on the edge of a large, dark purple, curved shape that occupies the left side of the page.

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