The adoption of consumer-driven, high-deductible health plans continues to surge. According to a survey from Aon Hewitt, 64 percent of employers reported offering consumer-driven health plans in 2015, but another 23 percent note they intend to add them in the future. As employees take on more responsibility for managing the costs of their health care, a plethora of pricing transparency tools and similar resources have emerged to help them identify cost-effective, high-quality care. When effective, pricing transparency offers a number of benefits for both employers and individuals. By helping people make more informed decisions about their care, it reduces overall health care costs and cuts waste while connecting patients with quality care.

However, despite the availability of these tools, utilization is lacking. A recent study published in the Journal of the American Medical Association found that only about 10 percent of employees with access to transparency tools had used them. Another survey from the Kaiser Family Foundation indicated that less than nine percent of people had used price information when making a health care decision. Consumers have access to pricing transparency tools, but very few are actually using them to make cost-effective decisions about their health care.

Why aren’t more consumers using these resources? Many people may not be aware they have access to a tool. According to a 2016 study from America’s Health Insurance Plans (AHIP), 58 percent of health plans report that members lack awareness of these resources. Further, even if they know about the tools, many people may underestimate the need or how they can help. Research from Public Agenda found that 57 percent of insured Americans do not think there is a cost difference among in-network doctors for the same services, which is not the current reality. Finally, many early versions of pricing transparency tools were often difficult to interpret or understand, however they have since improved drastically.

Improving Engagement in Transparency

There are a number of steps organizations can take to improve engagement in these tools and realize the potential benefits – improved outcomes and reduced costs.

Educate, Educate, Educate. Comprehensive communication efforts can dispel any misconceptions about the need for pricing transparency and promote this service as the place to go for health care help. A 2014 Cicero Group survey of consumers found that 49 percent say better communication would drive usage of these tools. Further, making it easy to find can have an impact – integrating it into the employee portal can improve both awareness and accessibility.

Offer Incentives. Incentives have been shows to drive engagement in wellness, and they can be an effective means to do the same for pricing transparency. According to the same consumer survey, more than 40 percent of respondents said reductions in their premium costs would encourage utilization of pricing transparency tools.

Provide Multiple Platforms. Today's workforce spans
multiple generations, so a one-size-fits-all tool will not work for everyone. While an app or website tool is a necessary component, offering telephonic support can make a big difference and help employees take the next step to access care.

**Display Cost and Quality Side by Side.** Cost alone does not tell the whole story. In the absence of credible information about quality presented simultaneously with cost details, many patients may assume higher prices mean higher value, which is not always the case.

**Make Tool User-Friendly.** The Cicero Group survey found that 33 percent of consumers thought pricing transparency tools were complicated. Consumers are more likely to use a tool that is intuitive and easy to use.

**Incorporate Personalized Information.** In order for users to make the most informed decision, tools should include company and employee-specific data to improve accuracy and relevancy. This includes breaking out the details of all related costs, including the full price of services as well as the consumer's out-of-pocket responsibility.

**Exceed Expectations.** The most effective tools are engaging and provide users with more than they were looking for, such as connecting them with resources to help them take the next step after reviewing cost and quality information.

**What's Next for Pricing Transparency?**

Pricing transparency tools continue to evolve and improve to meet the needs of health care consumers. However, in order to improve utilization, transparency needs to be coupled with other features and innovations in health plan benefit design that incentivize consumers to shop around for their health care.

The majority of people currently using these tools search for procedures that typically cost more than their deductible. If there will be no impact on their cost responsibility, consumers may lack the incentive to seek out a better value. Pricing transparency needs to be integrated into health plan benefit design in order to prompt people to select less expensive providers or facilities. This can be done by tailoring plans to favor coinsurance versus flat copays to increase motivation to shop around. Reference-based pricing, which sets maximum reimbursement limits for common procedures, can also encourage employees to compare costs to ensure they are within the approved range and do not have to pay excess charges on their own.

Health care pricing transparency helps consumers make high-value, cost-effective decisions that can lower health care spending. However, in order for it to be effective, insurers, employers and others must take steps to motivate engagement and utilization. A standalone tool may not be enough to motivate consumers to utilize the resource; however, when combined with these strategies, pricing transparency tools have the potential to increase ongoing utilization and engagement.