

Health Cost Comparison Web Sites Slowly Catching On

by Colleen Egan, iHealthBeat Editor
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Consumers are getting into the driver's seat when it comes to their health care, and the industry is responding with online tools to help navigate the confusing terrain. Research shows that the Internet is becoming an important resource for consumers seeking health care information, and now states are launching Web sites where patients can find out where they can find the best treatments for their physical and financial well-being.

With health care costs on the rise, it seems like checking prices would be one of the most popular topics for consumers' online health research. Not quite (at least not yet).

In a June survey of online consumers by Forrester Research, 43% of respondents said that they searched for information on patient feedback the last time they researched physician quality online, making it the most popular search. Only 21% of respondents cited cost, which placed it at seventh on the list -- below appointment availability and above office wait times.

Forrester analyst Julie Hanson, the author of the report, said that consumers check many things before price information right now, but that "the idea of researching hospital procedure costs is a little bit newer to consumers" than researching information such as patient feedback and rating systems.

"We'll start to see more of an increase [in research about health care costs] as more consumers are exposed to the health care consumerism concepts," Hanson said. "I think we're starting to see a lot more of it out there and online and accessible to consumers than we were even just a couple of months ago."

This is a trend that large employers could help drive as they shift more employees to consumer-driven health plans. A recent study of large employers and CDHPs by RAND and Watson Wyatt Worldwide found that, in response to what kind of IT tools the organizations offer to communicate with their employees, 65% of respondents said Web-based out-of-pocket calculators are good or excellent, while 58% had similar ratings for Web sites used in their CDHP programs.

If You Build It, Will They Come?

The increased availability of online health cost information is due in part to initiatives by hospital associations in states such as Kentucky, New Hampshire and Oregon. But are hospital associations responding to or anticipating consumers' demand for price data?

The Tennessee Hospital Association in April launched Tennessee Hospitals Inform, a Web site that lists the prices for the most common procedures at most of the state's

acute care hospitals. David McClure, vice president of finance for the Tennessee Hospital Association, said that "there seemed to be an increased interest on the part of consumers to get to information about hospital prices," so the Web site was the organization's attempt to address those concerns.

Hospitals in Tennessee report claims-level data to the state quarterly, so the Tennessee Hospital Association took the publicly available information and grouped it by diagnosis-related group and then made the information public, McClure said. He added that the site's frequently asked questions section includes an explanation of why charges vary by patient and by hospital.

Consumer transparency is a primary reason that the Texas Hospital Association rolled out its cost comparison Web site earlier this year, according to Richard Schirmer, vice president of health care policy analysis for the Texas association. After having a committee research the idea for a few years, Schirmer said the Texas Hospital Association decided to launch the site, called PricePoint, under a contract with the WHA Information Center, a subsidiary of the Wisconsin Hospital Association.

Unlike other cost comparison sites, the Texas Hospital Association decided to post information on all hospitals in Texas -- even those small, rural hospitals that are not required by law to report information to the state. Schirmer said that the association's aim was to provide the most comprehensive resource possible, so it didn't want to leave any facilities out. The site also includes links to the hospitals' Web sites.

Schirmer said that the Texas PricePoint site seems to be working well so far. The number of hits is down from initial figures, something he said is not surprising. He said that there is an initial interest in the price comparison sites, but then "the novelty wears off a little" and its viewership drops to a more steady number.

McClure found a similar pattern with the Tennessee site, noting that the site had "significant volume" for about three weeks following the April 23 launch, but has dropped and steadied at about 250 visitors per month.

Getting There

While the number of consumers visiting the cost comparison sites in Tennessee and Texas hasn't been overwhelming, organizers see the resources as valuable tools that they are going to continue to tweak and update.

In Tennessee, McClure said that there are two goals for the site this year: to update the current data and to add outpatient information.

Meanwhile, the Texas site currently is using 2005 data, but the hospital association just received data from 2006, the most recent numbers the state has. Schirmer said he is working to refine some fields on the site, so the new data likely won't be up for another month.

Both sites link to CMS' Hospital Compare, an online tool that allows users to compare

the quality of hospitals nationwide.

Younger consumers note that the Internet is the preferred channel for health care research, so the online health information trend will continue as these consumers age, Hanson said.

What's driving the trend? "I think a lot of it has to do with the accessibility of online health care content," Hanson said.

Now that are consumers getting more used to online transactions, health care likely will follow, according to Hanson. "I think we can expect to see as years increase and consumers get more comfortable with health care content online and looking up physician and hospital information, we'll see more of an increase."