



# NH, Maine Test Transparency With Health Cost Tools

**NH, Maine cost comparison sites go well beyond transparency provision in federal health bill**

By **HOLLY RAMER**

*The Associated Press*

**CONCORD, N.H.**

When Laura Davie's doctor suggested she go to the hospital next door for her first mammogram last year, she went online instead.

Though she ultimately chose the facility her physician recommended, Davie used New Hampshire's HealthCost Web site to compare how much her insurer would pay various hospitals for the procedure.

"I was surprised by the spread, and I was surprised by cost, and I was surprised by how much less the hospital in Massachusetts was compared to the hospitals in my area of New Hampshire," said Davie, who lives in Barrington and works at the University of New Hampshire. "I found it very user friendly and very easy to see the differences."

As employers continue to shift costs to workers through high-deductible health plans, consumers are starting to shop around. Even though Davie's relatively low deductible meant she would pay the same amount anywhere, she wanted to choose the least costly option to send a message to her employer and insurer.

"I really want to see what's going to cost my insurance company less because I'd like eventually to have those savings trickle down to me," she said. "Even though I had a small out-of-pocket expense ... the percent I've had to pay has gone up. It's still very reasonable, but I'm still aware that if I don't shop better, then that's just going to continue to increase over time."

The national health care overhaul legislation passed by the House and Senate would require hospitals to list their standard charges for services, but those prices don't reflect the agreements insurance companies make with hospitals and doctors about what they will pay. New Hampshire's Web site and a similar one in Maine are the only two in the nation that are based on insurance claims paid for procedures on patients in those states.

In the Senate bill, the provision requiring disclosure of hospital charges is listed under a section titled "bringing down the cost of health care coverage," but it's not clear whether making costs more transparent will help achieve that goal. In New Hampshire, studies by the Center for Studying Health System Change and the state insurance department found that the price variation across providers hasn't lessened since the Web site went live in 2007.

New Hampshire Insurance Department health policy analyst Leslie Ludtke said the state never promised costs would drop — it simply believed consumers had a right to as much information as possible.

"We never made any claims about transparency being the key to bending the cost curve," she said.

In fact, many opponents of creating the site insisted it would drive prices up because providers would see how much their competitors were charging and adjust their rates. The fact that hasn't happened is a huge victory, Ludtke said.

Statistician Tyler Brannen, who developed and maintains New Hampshire's site, remembers one hospital official who told him, "We knew this was coming, but we thought we'd be dead and gone by then," and others who joked about breaking his kneecaps. But resistance faded, he said, once insurers and providers realized that no single insurer consistently had the best deals.

Beyond the political hurdles, the state spent about \$30,000 to set up the site, Brannen said. Ongoing costs amount to about \$7,300 a year — a tenth of Brannen's salary plus \$50 per month for server hosting. The site features information on 41 procedures ranging from basic office visits to kidney stone removals.

Maine's HealthCost site, which went live in April, was developed by the Maine Health Data Organization using New Hampshire's framework. Besides claims data from private insurers, it includes Medicare and Medicaid claims data. It covers 29 procedures, and officials are working to add about 20 more, said Alan Prysunka, the organization's executive director.

There are limits to the data, he said. For example, while consumers can compare the costs of a colonoscopy, the site features only the cost of the colonoscopy itself, not the removal of any

polyps or further testing. But the only way around that would be to add more categories, which can be confusing for consumers and less statistically valid given the smaller numbers involved.

"That's the difficulty with both being accurate and creating a tool that is easily and readily usable by a consumer," he said.

It's too early to say what effect the site will have on prices in Maine, Prysunka said, but he wouldn't be surprised if there isn't much change given that there isn't much competition among hospitals in many areas of the state. New Hampshire faces a similar situation.

"Even if you put the data up and say, 'Wow, you're three times the price of somebody else,' they're the only game in town in some places," he said.

Another factor is the small number of consumers with financial incentives to comparison shop. Nationally, 22 percent of all covered employees had annual deductibles of at least \$1,000, according to a September report by the Kaiser Family Foundation. But in New Hampshire, just 8 percent of privately insured residents had plans with deductibles of at least \$1,150 for individuals or \$2,300 for families, though that percentage has been rising sharply in recent years.

However, representatives from ambulatory surgical centers have seen a slight increase in new patients who mentioned selecting their facilities for their low costs and in some cases said they used the HealthCost site to find them.

Davie said she doesn't think tools like HealthCost alone will lead to lower prices but hopes it will stimulate debate.

Prysunka agreed, saying his organization has used the data to show lawmakers and policymakers just how wide the variation is from hospital to hospital.

"That starts another discussion," he said. "People start asking the question, 'Why is that so?'"

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On the Net:

New Hampshire's HealthCost: <http://nhhealthcost.org>

Maine's HealthCost: <http://www.healthweb.maine.gov>

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