Costs of many preventive medical exams vary as much as 700% ...

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# Costs of many preventive medical exams vary as much as 700%

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WASHINGTON – A new report shows costs vary as much as 700% for some preventive examinations, and as the federal health care law increases demand for those procedures, it can mean an increase in premiums if employees don't pay attention to those costs.

Over the past year, health plans and self-insured employers began paying for wellness exams — diabetes screening, mammographies, Pap smears and colonoscopies — as required by the law, without charging consumers a deductible or co-payment. But in looking at 15,000 consumers, a research group has found cost differences of hundreds of dollars charged for the same tests. Colonoscopy costs, for example, ranged from \$786 to \$1,819.

By Dan MacMedan, USA TODAY

Roxanne Gross, a mammography technologist, performs a mammogram at the David Geffen School of Medicine at UCLA.

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president of Change Healthcare, which works with businesses to determine costs of health care procedures. "The absolute dollars for colonoscopies were pretty big."

degree of variability surprised me," says Doug Ghertner,

"I wasn't surprised that there was variability, but the

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The U.S. Department of Health and Human Services predicted a 1.5% increase in premiums because of the

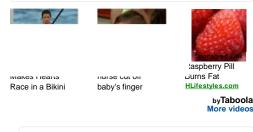
new exam requirements. Doug Ghertner, Change Healthcare president, says consumers will see a direct correlation between premium increases and their choice of health provider. The "consumer is typically isolated from the cost," he says. "People think they have zero financial responsibility."

Several factors affect prices: whether a provider is in a rural or urban area; whether the service is performed at a hospital, a doctor's office or an ambulatory clinic; and whether a clinic specializes in a certain procedure, such as a colonoscopy.

## Patient's role in price

As demand increases, prices may continue to rise, Ghertner says. "Companies are saying, 'How am I going to deal with these increases?' " he says.

They need to make the cost information available and provide an incentive for employees



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to seek less-costly care for equal- or better-quality services, he says.

Francois de Brantes, executive director for the Health Care Incentives Improvement Institute, says there's no question that there's variance in costs, but adds that sometimes it's also the patient's decision. For example, many patients choose general anesthesia during colonoscopies, which can affect the cost significantly. This also can mean that a doctor goes ahead with a second procedure, such as an endoscopy or removing a polyp, while the patient is under.

In Colorado, that has meant that the cost of colonoscopies far outweighs the total amount the state spends for all diabetes care, according to a recent study from the institute, he says. His organization supports bundled payments, rather than fee-for-service, as a way to cut costs.

Health care providers need to look at alternatives to costly procedures that affect a minority of patients, he says. Until recently, mammographies were urged yearly for all women after age 40. After several studies, the age was raised to 50 because many women were getting unnecessary biopsies.

"It's a very difficult policy decision," de Brantes says. "At some point, policymakers need to come to terms with the fact that what's good for a minority might not be good for a majority."

## Incentive to shop around

Insurance providers have looked at the issue. Rachelle Cunningham, Regence Blueshield spokeswoman, says the health care company has provided a tool for customers to compare costs.

The variations in cost did not surprise Andy Webber, president and CEO of the National Business Coalition on Health, a non-profit that works for health care reform. "The problem is not whether or not these services are needed. They're very important."

He says researchers are seeing more variation, and that it's greatest in for-profit care. Often, he says, consumers don't even ask about price because they're getting the service for "free," but also because doctor's offices don't list prices. Employers should be asking their health plans and making sure that information gets to their employees.

And they should make sure employees understand why there's a direct correlation to their own costs, he says. Safeway grocery chain employees have a certain amount to spend on a procedure. If they go to a place that charges more, the patient has to pay the difference. The company also provides cost-comparison information.

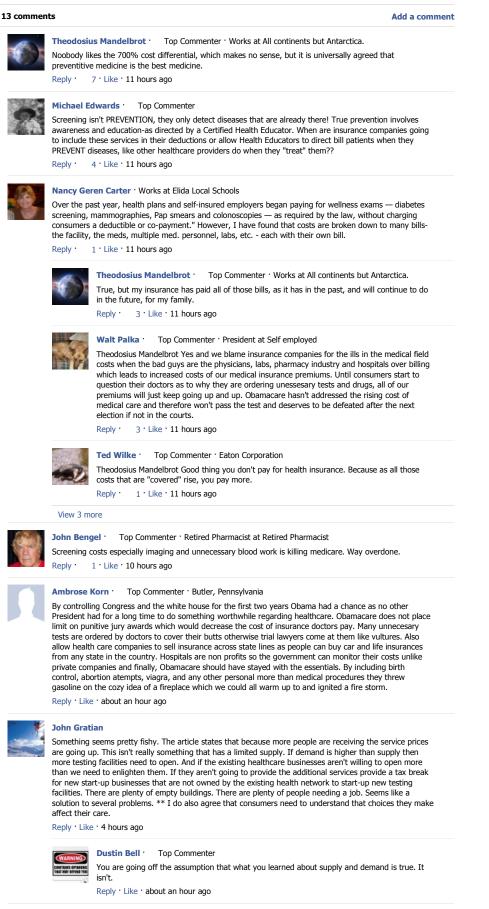
That could mean lower prices across the board in the future, Webber says. "I think free markets do work. ... Incentives and transparency and competitive markets can drive prices down."

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