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## Price Transparency in Healthcare

BY MATT CLEMENTS

Price transparency is a hot topic in the healthcare industry.

You know it has hit the mainstream when the May issue of *Inc. Magazine* featured business icon Mark Cuban on the cover for his direct-to-consumer pharmaceutical startup. Many more entrepreneurs have plans to disrupt current health insurance models and healthcare with lower prices, price transparency and upfront billing.

But price transparency and upfront billing are more than an entrepreneur's dream. In 2022, the [No Surprises Act](#) went into effect. Currently, this applies to emergency services, non-emergency services from out-of-network providers at in-network facilities, and services from out-of-network air ambulance service providers. If a patient requests it, even physician offices are required to provide a good faith estimate. One day soon, up front pricing may be a requirement for all practices.

For the independent physician or healthcare provider, who already feels burdened with paperwork to begin with, this may seem like a daunting task. How can you comply when the system is already layered with complicated processes that consume staff time and energy, without lessening the patient's overall experience?

The good news is that transparency in healthcare pricing is obtainable and can have benefits for your staff and patients in ways that you may not even realize.

Over the last three years, Sage Infusion's mission has been to offer our patients increasingly transparent pricing, including upfront price estimates. This practice has led to a better experience overall for everyone involved—the patient, our office staff, our clinicians, and our referring physicians. Even the insurance companies we work with are aligned with our practices. And the response from our patients has been overwhelmingly positive.

Here are some key takeaways from our own experience:

### Patient Benefits include the following:

- **Improved Adherence:** We all know that an estimated 24 percent of patients ([source NIH](#)) avoid medical care due to their fear of surprise healthcare costs. Almost everyone has heard the story of a patient getting a shocking bill six months after a hospital stay or procedure. The anxiety and worry associated with healthcare bills can be traumatic. Recognizing that financial concerns are a part of the treatment process will help your patients now and in the future.
- **Lower Cost:** In addition to no surprises billing and upfront pricing, other financial aspects of treatment can include committing to lowering the cost overall. Figure out your operational cost and what margins you need to be successful and provide the best care. We were able to



negotiate with our pharmaceutical manufacturers to provide pricing at Medicare rates. That helped us set a price (quarterly) that we could build from.

- **Financial Assistance:** Additional ideas to help patients with the financial component include, being a resource for patients about cost-savings from other sources such as rebates or programs from the pharmaceutical companies. Your patients might not know about these opportunities and will appreciate your guidance.

### Organizational Effectiveness.

Your office may see improvements in:

- **Reduced Insurance Denials:** Price transparency and upfront billing allows you to streamline the administrative part of your business. Once your program is set up, billing is easier and more efficient. Office staff reduces lost time from managing insurance denials.
- **Improved Billing Collection:** Because the patient knows what they are responsible for and the co-pay amount collected at the time of service, medical providers will have less lost revenue and staff time collecting payments from patients. Upfront billing also helps reduce medical mistakes.

**Office Culture.** When your whole staff can talk about pricing, everyone can rally around your transparency, and it can become a source of pride for your practice. We not only post our pricing on our website and in the

office, we also make printed copies available to patients and referring physicians. We let everyone know that we update our pricing quarterly to stay in line with Medicare changes. This empowers everyone in the office from the front desk to the clinicians to talk about our pricing and answer patient questions. No one feels nervous or unsure. The overall result is that the physician and the patient are empowered.

Now is the right time to learn about price transparency in healthcare. While it may seem like something far off in the future, solutions do exist, and they are not too complicated to implement. Let's keep talking about it as part of the patient care journey. Physicians who make financial discussions a part of service to patients will be ahead of the game. Communicating our fees and costs upfront is what we need to do to keep health care affordable for future generations.

Matt Clements is Co-Founder and Chief Financial Officer with Sage Infusion. Matt is seeking to create a superior patient experience at a significant savings to the patient and insurer. As a Type 1 Diabetic, he knows what it is like to live with a chronic condition, and his goal at Sage Infusion is to always put the patient first. Matt brings years of business and finance experience to Sage Infusion. Started in 2019, Sage Infusion offers expert infusion care for patients with autoimmune diseases and chronic medical conditions without the hassle or cost of the hospital. Sage Infusion is patient focused, employs highly trained and certified medical staff and provides financial assistance to patients to get the best price possible for their treatment. Sage Infusion's vision is to offer the highest quality infusion care at the lowest cost possible to patients in a serene and comfortable environment. The company serves patients throughout Central and Southwest Florida.