

**Predictable Pricing:
A Journey Towards Healthcare
Consumer Pricing Transparency**

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What is the Journey?

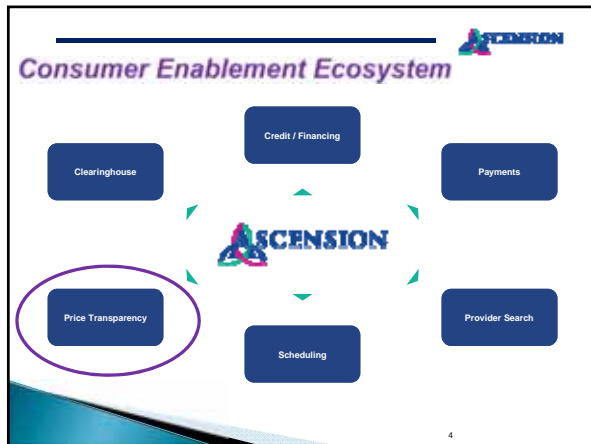


Why is this important?

- Rising number of high deductible health plans mean patients pay more of the bill (Avg. of 15% per year since 2011)¹
- Patients shop for price and quality (72% of internet users searched for health information)²
- Insurers & employers steering beneficiaries to lower cost alternatives
- Policy makers passing transparency legislation (34 states required by law to make charges available)¹
- Most publicly available provider price estimates are creating confusion in the marketplace (charges not patient liability)
- Many patients – especially the struggling – challenged with affordable access which increases public opinion and expectations
- Patient confusion from bills from multiple providers
- Transparency has the potential to shift market share and generate new patient volumes


1: Advisory Board Price Transparency Report
2: Pew Research Center Study














Here the Voice of the Customer

→ Play NPR clip 



**Patients Want To Price-Shop For Care,
But Online Tools Unreliable**
 Published: November 30, 2015



The Fundamentals of our Philosophy


- Proactive, not defensive
- Empower consumer to make decisions
- Model that transitions from Fee for Service (FFS) to Fee for Value (FFV)
- Define the scope carefully



Targeted Price-Sensitive Services

 = Pilot

Ambulatory	Cosmetic Surgery	Laboratory	OB/GYN	Condition Management	Imaging
• Colonoscopy	• Sclerotherapy	• A1C	• Colposcopy	• Weight Management	• MRI
• Gall Bladder	• Breast Augmentation	• Cholesterol	• Endometriosis	• Diabetes Education	• CT
• Arthroscopy	• Tummy Tuck	• Allergy	• Well Woman Care	• Gastric Bypass	• Bone Density
• Sinus endoscopy	• Arm Lift	• Strep	• Prenatal	• Cardiovascular	• X-Ray
• Urinary Tract and Kidney Stones	• Rhinoplasty		• Menopause	• Disease Prevention	• Nuclear Med
	• Laser Hair Removal		• Pap Smear	• Sleep Medicine	• PET
			• Breast Cancer Screening		• Ultrasound
					• Mammography




Pilot or Minimal Viable Product (MVP)

3 Free Standing Imaging Locations in Jacksonville

Site Activity

Site 'hits' (Florida)	6,782	
Schedule 'clicks'	339	5.0%
Account Sign-ups	104	1.5%



Patient Activity

Appointments/patients	59	
New Patients	24	41%

Service Mix

Patients with Insurance	16	27%
Patients Paying Cash	43	73%

Xray	12
US	11
CT	8
Cardiac Calcium Score	17
Lung Screening	6
Bone Density	3
MRI	2
Total studies	59



Know Your Cost Ahead of Time with:

SHOP



Options
Available
Accurate

BOOK




Options
Convenience
Access

PAY

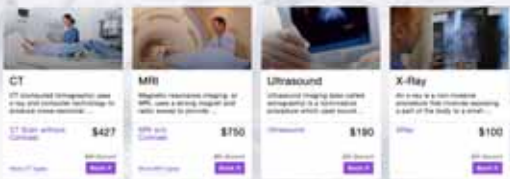



Options
Cash
Insurance



Online Shopping Experience


www.jaxezappointment.com






C7 Bear with-inn Stroller
 C7 Bear with-inn stroller is a top quality stroller that is perfect for your baby. It is made of high quality materials and is very durable. It is also very easy to use and is a great choice for your baby.

Price: \$479.00




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View all products

The screenshot shows the Amazon.com 'Book a Service' interface. At the top, there's a navigation bar with 'Shop, Book and Pay Real-Time' and the Amazon logo. The main heading is 'Book a Service'. Below this, there's a search bar and a 'Book a Service' button. The service being booked is a 'Car Wash' for a '2014 Ford Focus'. The price is listed as '\$12.99'. The service is available at the 'Amazon.com Car Wash' location in 'Seattle, WA'. The page also shows a 'Book a Service' button and a 'View Details' button.

Social Media Marketing

Focus Groups: Pain Points



"You can buy a car, go to the dentist, buy a furnace and know exactly what it will cost up front. Healthcare is like VODOOO Economics"

"It's so confusing I don't even want to get healthcare services"

"The cost are Outrageous!!"

"Have you ever tried to schedule an appointment during the Doctors' lunch hour? I want to get an appointment scheduled during MY lunch hour."


"You never know what the total cost is or when you're done. I keep getting bills for every component of service."

"They tell you 20% - 20% of WHAT?"

16


What we Learned from the Focus Groups

- Key Takeaway: 'WE WANT OPTIONS'
- Knowledge of their financial responsibility
- Comparability of pricing & locations
- Trusted Provider – who their Physician trusts
- Cash price might excite them
- Scheduling not as important



The pilot is done...now what?

An Ascension-wide initiative has been launched to develop a national pricing strategy that is consistent, flexible, and responsive to key market differentiators.



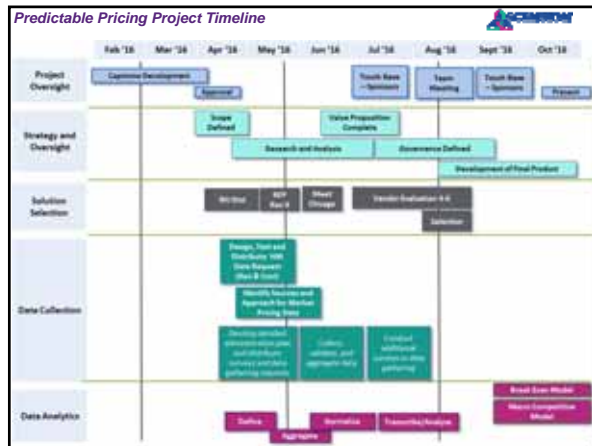
The Initiative

- A consistent strategic operating philosophy
- Data collection and methodology
 - to measure cost basis, pace of change and competitive environment
 - to evaluate data for market solutions
- Technology platform assessment
- Governance implementation and alignment

Be careful of scope creep!

Project Structure

Executive Sponsors			
Project Leader			
Project Manager			
Steering Committee: Project Leader, Project Manager, Work Team Leads			
Work Teams			
Strategy and Oversight	Technology/ Solution Selection	Data Collection	Data Analytics



Expected Outcome

- The creation of an Ascension pricing transparency philosophy and operating model with appropriate governance for implementation and alignment with Ascension's population health strategy. This includes:
 - A national strategy for pricing transparency;
 - Prioritization, time phasing for ministry markets to progress towards a predictable pricing solution for imaging services; and
 - Governance of implementation to ensure alignment

Still to be addressed/functionality expansion

- Financial assistance
- Excess capacity pricing (off hours)
- Patient responsibility quotes
- Government payors and limitations
- Managed care/commercial payers and contract compliance (i.e. most favored nations)

What is the Journey?

LONG TERM

- Fee for Service Linked with Population Health Strategy- Flexibility
- Additional Opportunities for Advertising
- Subscription/ Transaction Fees
- 'Expedia' of Healthcare
- Market launch narrow focus monitored to pivot to desired services (xrays vs. colonoscopies)



SHORT TERM

- Pricing Engagement with Consumers
- Grow managed lives
- Informed Patient
- Expanded Physician Referral to the Marketplace.
- 'Open Table' of Scheduling
- Expand offering to include Sleep Studies, Endoscopy Procedures, Wellness visits, etc.

What are the takeaways

- Listen to the voice of the customer (patient, provider, payer)
- Educate key stakeholders
- Understand and communicate with payers
- Recognize the tech sophistication of your market
- Retail marketing different than traditional
- Know your cost structure and be able to change as needed
- Understand the competitive landscape
- Define your retail/price elastic services carefully
- Make the scope small enough to manage (don't creep!)
- Know your appetite for failure
- Don't fall in love with the solution...be prepared to pivot

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Visit the site:
www.jaxeappointment.com

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