

# FAST FACTS



## THE RIGHT TO SHOP: MORE ACCESS TO AFFORDABLE HEALTHCARE



If enacted, Right to Shop offers South Carolina healthcare consumers the opportunity to finally know the real costs of their non-emergency medical procedures. Patients can search for the best price and then, through an incentive-based program, cash in on their shopping.

### WHY DOES SOUTH CAROLINA NEED RIGHT TO SHOP?

#### High Costs

A recent LA Times/Kaiser Family Foundation survey found that American patients' out-of-pocket costs have quadrupled over the last 12 years. In general, spending on healthcare in America has increased by over 3,000 percent—an absolutely staggering number. We currently spend \$3.5 trillion, which comes to over \$10,000 per person—18% of the U.S. GDP. Innovative reforms like Right to Shop are needed to change our current trajectory.

#### Confusion

South Carolina families working to make ends meet are often distressed by arcane medical bills, higher than expected costs, confusing payment plans, and a lack of access to market information about the costs of procedures across provider markets. What's more, the factors determining out-of-pocket costs to a patient for healthcare services are numerous, from the secret negotiated rate between the hospital and the insurer, the level of insurance coverage, and the location of the provider...even if providers are within just a few miles of each other.

For example, as the graphic below indicates, the exact same MRI in the Charleston area could cost anywhere from under \$600 to over \$2,200—the only difference being the provider.

### HOW RIGHT TO SHOP WORKS:



Once a medical procedure has been recommended to you, call or go online to request information about the cost of your procedure



Choose the best location that offers the procedure at the most affordable cost for you

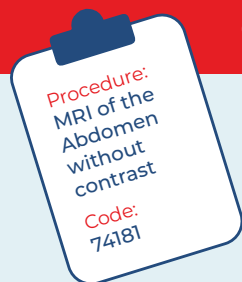


Have your procedure at the location of your choice



Cash in on shared savings

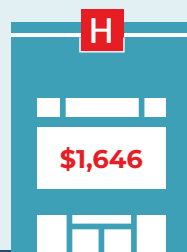
### COMPARING MRI CASH PRICES\* IN CHARLESTON, SC



MUSC Health



Roper St. Francis Healthcare



Tricounty Radiology



Source: Palmetto Promise Institute

\*Prices listed include any discount for self-pay patients and were provided to the PPI research team by the providers.

## THE “RIGHT TO SHOP” PROCESS:

Right to Shop’s goal is to provide patients with access to information on out-of-pocket costs they will face after a nonemergency medical procedure. But in order for that vision to come to fruition, Right to Shop legislation must be passed that stipulates...

### Transparency

At the request of a patient or prospective patient, healthcare providers across different networks will be required to estimate the total costs associated with a medical procedure within two business days of the request.

Healthcare providers and insurance carriers must work together to provide an out-of-pocket cost estimate for the patient for as many hospitals and carriers as the patient chooses.

### Incentives

Insurance companies must create an incentive program which rewards patients who find procedures at a cost less than the average price paid by the insurance company for the same healthcare service. If a patient finds a colonoscopy at a lower than average cost, they can take home some of the savings.

The procedures in which the carrier offers the shared incentive program are called “shoppable health care services,” providing some reasonable boundaries to the law. A “shoppable healthcare service” may include a mammogram or colonoscopy, but may not include cardiovascular surgery for example.

The Foundation for Government Accountability (FGA) reports that 98% of insurers say that they have some sort of transparency tool, but only 2% of the insured actually access the tool. That is why Right to Shop legislation not only provides much needed transparency, but combines it with an

incentive-based program. When consumers shop around for services in a Right to Shop state, they can cash in on their savings. Right to Shop empowers patients and helps lower healthcare costs.

## RIGHT TO SHOP SUCCESS STORY: NEW HAMPSHIRE

“Right to Shop” is fairly new legislation, but the results from the program in New Hampshire show that consumers have more access at less cost than they ever had before the law was passed. In New Hampshire:

- Average savings have been around \$670 each time a service or procedure is shopped.
- 88% of enrollees have shopped at least once, with 2 out of 3 shopping every year and receiving an incentive payment.
- Shoppers have been rewarded over \$1.2 million for finding more affordable care.
- Procedure cost savings have reached over \$12 million.

## RIGHT TO SHOP SPREADING ACROSS THE COUNTRY

Aside from New Hampshire, 7 other states have passed incentive-based programs including Florida and Tennessee.

Right to Shop legislation has also been introduced in more than 15 other states.

If “Right to Shop” is adopted in South Carolina, patients and insurance companies will save money, healthcare providers will have an incentive to lower healthcare costs and South Carolinians will have greater knowledge of the type and quality of care available to them in their communities.

# PATIENTS WANT THE RIGHT TO SHOP



**82%** of voters want the right to know the cost of non-emergency procedures ahead of time.



**72%** of voters support the right to pick lower cost out-of-network providers.



**68%** support rewarding patients directly when they choose to shop and save



Source: Foundation for Government Accountability