

Payers' prices for services are emerging. How useful is that data?

It's been two months since payers were required to begin publicly sharing their negotiated rates with providers. *Becker's* spoke with two healthcare technology companies to better understand how the data is being used and how useful it is within the context of finding the best care.

Extracting and analyzing the data

Neil Mayle is the founder and president of [Visible Charges](#), a Cambridge, Mass.-based company that provides clients with curated datasets of both payer- and provider-negotiated service prices.

Compared to the provider data, which was first required for publication in 2021, Mr. Mayle said the files from insurers are much easier to work with because they were required to be published in machine-readable formats.

Not only are they less complicated than the provider files, but payers appear to be more compliant with publishing them. Recent studies have [suggested](#) the provider compliance rate is as low as 16 percent.

The data inside the files promises to show which providers are receiving the best deals from insurers for specific services, along with specific health plans. How the cost of services will change is unclear, but extreme outlier prices are unlikely to remain once compared to the average.

"Transparency is amazing and it's going to help everybody. I don't see how anybody in the healthcare business is not going to want to look at pricing data," Mr. Mayle said. "Once this data is out there, it's going to be so transformative, especially for the consumers who actually pay the bills."

Still, Mr. Mayle has found mistakes in payers' data and has reached out to notify companies directly. Those that have responded include Blue Cross Blue Shield of Massachusetts and Centene.

To be in compliance, payers can publish one file per plan, or they can publish an index file, which functions as a table of contents for the data. Within the index file, payers can post files for multiple plans that share networks or regions. Individual in-network file sizes can be up to 200 gigabytes compressed, and every month new files are released. In August alone, UnitedHealthcare published 55,000 files, which equaled around 8 terabytes of compressed data — the equivalent of more than 1,000 movies.

Mr. Mayle recently worked on files from Fidelis, which has its files hosted on Centene's website because it is a subsidiary. Within Centene's index files are plan names, who the plan is provided to and the type of market. After selecting a plan, the index file will provide a web link to the plan's pricing data, which will include the cost of in-network services per provider.

Right now, the extracted Fidelis data shows one of its plans will pay Mount Sinai Hospital in New York City \$56,000 for a bone marrow transplant.

For childbirth in New York state, the same Fidelis plan will pay anywhere from \$3,400 at Schenectady's Ellis Hospital to \$5,400 at Maimonides Medical Center in Brooklyn.

A price transparency revolution?

Christie Callahan is COO at [Arrive Health](#), previously called RxRevu. The Denver-based technology platform partners with health systems, payers and PBMs to deliver patient-specific cost and coverage data into clinical workflows. Ms. Callahan was previously vice president of process innovation at CVS Health and was senior director of PBM product innovation at Caremark.

For her, the price transparency rule for payers is a great first step for prices to be negotiated between healthcare organizations, but it isn't needed to build a consumer-facing solution for finding the cheapest care.

"We've gone around it and said you guys [payers] go about your file business, but we want to talk to you about your application programming interfaces," she said. "We want to talk to you about your APIs that are powering your member sites that are providing prices based on plan information."

According to Ms. Callahan, part of the problem with the July 1 payer data is that even if a consumer product existed to search through all the data, finding a specific plan name at the group level would be difficult. In addition, providers do not bill for services consistently, and they typically do not bill for a single service. Lastly, the prices of services can change based on accumulators such as a deductible and how much of it has been met.

"To me, it doesn't even matter, to some extent, if prices get posted," she said. "What matters more than anything is how we get from here to something that can be digested by patients and something that can help them be consumers. That's what we've been working on."

Arrive Health started as a real-time benefits platform for prescription drugs in 2013. Physicians can write a prescription and the Arrive platform sends it to the health plan and pharmacy benefit manager. The physician is then provided with information about the cost of the drug under a patient's health plan based on factors such as a deductible, and alternative medications available based on the payer's formulary. In 2020, the company began adding medical benefits to its platform because the data was available through APIs.

Based on a patient's health plan, providers can use the platform to refer patients to the cheapest facility for routine services.

Now, the Arrive platform supports around 8 million transactions each month through connectivity with Cerner, Athenahealth, Epic and the major PBMs.

Ms. Callahan said Arrive has helped Mayo Clinic's clinical staff avoid 20 percent of its usual prior authorizations.

"What we're focused on is taking the information from the payers and getting it in the hands of physicians so that these conversations can start to happen," she said. "The answer is a direct connection into the claims engine that tells us specifically what the patient cost is going to be and what barriers are going to exist."

The next step for the Arrive platform is to ease the burden on physicians and gear it more toward the entire care team and patients directly, she said.

The true impact

Payers' prices are now public, but it's likely not the entire answer to creating a consumeristic environment in healthcare.

"I think as soon as we start to say your price is going to be 'X' with the files, it's entirely incorrect," Ms. Callahan said. "I think the open API access and the transaction level access to patient-specific information is the end zone."

While payers' data might not provide the true cost of services under a specific health plan, that doesn't mean the data won't help to lower costs overall.

Using the data extracted by companies like Mr. Mayle's, consumers in the near future will look to shop for certain services based on their plan, city and the posted prices — or purchase care directly from the provider. Employers will want to contract with the payer offering the best negotiated rates, and insurers will receive a better context of the market and what their competitors are paying.

"I think we've gone from nothing to a lot," Mr. Mayle said. "We haven't gone to perfect."

<https://www.beckerspayer.com/uncategorized/home-page/payers-prices-for-services-are-emerging-how-useful-is-that-data.html>