



Group Medicare Insights: Plan sponsor experience

Using transparency to build trust: a guide for plan sponsors



Over the past few years, the U.S. government has passed several pieces of legislation that promise to increase transparency in how healthcare prices are set and services are delivered. But while these regulations have helped increase knowledge, they have also highlighted a far more valuable commodity: trust.

In the past, building an understanding of healthcare-related costs required a combination of sophisticated mathematical skills, a solid data foundation, and an uncanny insight into whether or not a healthcare provider was part of an in-network facility. However, by eliminating some guesswork, today's price transparency legislation is poised to foster a greater sense of trust between plan sponsors and their retirees, as well as the health institutions members rely on to receive quality care.

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That's good news for plan sponsors who can benefit from transparency laws by providing plans that meet workers' unique needs—a sure-fire way to foster greater trust, resulting in:

- Enhanced market share
- A healthier workforce
- Access to valuable data
- Greater employee engagement

At the same time, research shows trust between a patient and healthcare provider can lead to greater patient satisfaction, enhanced quality of life, and reduced symptom severity¹.

But capitalizing on the power of trust requires more than detailed price lists. Deepening one's understanding of the current legislative landscape, recognizing the importance of trust, and establishing best practices are critical to reaping the competitive advantages of eliminating the opacity that pervades the healthcare system.



The legal landscape

In recent years, several key pieces of legislation have been enacted in the U.S. to provide greater transparency into the healthcare system. These include:

- **2016:** The 21st Century Cures Act mandates that patients have quick and easy access to their electronic health information.

- **2019:** The Hospital Price Transparency Rule requires hospitals provide clear, accessible pricing information online about the services they offer.
- **2020:** The No Surprises Act prohibits hospitals and doctors from issuing surprise medical bills for certain healthcare services. The Act also includes open negotiation and independent dispute resolution (IDR) procedures for health plans and out-of-network healthcare facilities and providers to ascertain applicable payment rates.
- **2020:** Transparency in Coverage Rule (TIC) requires group health plans and health insurance issuers to provide participants, beneficiaries, or enrollees with detailed information on pricing and cost-sharing information, including an estimate of an individual's cost-sharing liability for covered items or services offered by a particular provider.



The trust advantage for plan sponsors

These laws promise to impact patients and providers alike in a number of ways. Take, for example, the No Surprises Act, which is designed to strengthen consumer protections for patients by prohibiting hospitals and doctors from issuing unexpected or “surprise” medical bills stemming from out-of-network providers at an in-network facility.



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“It’s problematic for people to end up with a provider that they think is in-network but is really out-of-network,” says Michael Chernew, a professor and the director of the Healthcare Markets and Regulation Lab at Harvard Medical School. Complicating the matter, he says, is the fact that a patient “might be in an in-network hospital with an out-of-network anesthesiologist or an out-of-network emergency room doctor.”

In addition to minimizing exposure to surprise medical bills, today’s transparency laws can help patients make more informed healthcare decisions, avoid excessive payments for prescription drugs, and select health-insurance plans that best meet their needs. These small adjustments in how healthcare services are priced and delivered can have a huge impact on trust in the healthcare system.

Chernew points to the relationship between plan sponsor and employee as a perfect example of

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where trust is needed. When a surprise bill occurs in the treatment of a patient, he says, “employers are in the middle so they often take the brunt of what happens. Even though it’s not the employer’s fault, it nevertheless impacts the employee’s trust in the employer.”

However, by changing the way people receive care and learn about their coverage, plan sponsors and healthcare providers alike can bolster trust in ways that deliver significant business benefits.

Competitive advantages include:

Enhanced market value: Research from Deloitte found the most trustworthy organizations outperform their competitors by up to 400% in terms of total market value². By providing employees with easy access to critical plan data and a platform to learn about healthcare options, organizations build trust and boost profitability.



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A healthier workforce: Ensuring cost information is readily available to patients empowers them to control their healthcare dollars—and decisions. As a result, patients are better engaged in their own care and more likely to seek medical assistance when they need it, which can lead to cost savings and higher satisfaction rates for plan sponsors.



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Access to valuable data: Today's transparency laws are unleashing a treasure trove of data, granting plan sponsors and insurers an opportunity to compare plans in terms of cost and quality. With such data publicly accessible and readily available for analysis and interpretation, plan sponsors can learn more about the coverage they offer and how they can optimize these offerings, driving innovation to increase market share and improve patient outcomes.

Greater employee engagement: Studies indicate that a worker's trust in an employer can significantly impact job satisfaction, which in turn, can influence the quality of care a patient receives. That's good news for organizations navigating today's tight labor market. More Americans trust their employer for information than the federal government or media, according to the 2024 Edelman Trust Barometer report³. By leveraging this unique bond, organizations can help drive talent acquisition and retention.



Obstacles to hurdle

Despite its many advantages, there are challenges when it comes to translating greater transparency around healthcare services into deeper trust. Wider availability of health plan and pricing data does not necessarily mean this information is easily accessible. "We're really only in the first couple of years of post-legislation with the pricing data coming out," says Michael Morrissey, professor emeritus of health policy and organization at the

University of Alabama's School of Public Health. "If you go on to a hospital website to look up prices, it's not trivial. You can find links to services, but then you might have to download a special app to open it."

Another obstacle to leveraging trust is an overall lack of awareness. For example, some organizations are creating more advanced price transparency tools to help consumers shop among plans and providers, as well as providing public information on trends in healthcare costs. In the case of healthcare providers, innovative tools, such as Humana's Real-Time Benefit Check (RTBC), are allowing physicians to search for the lowest-cost options available when prescribing medication to a patient⁴. However, gaining value from these solutions requires knowing they're readily available for use.

"It's a recurring challenge," says an executive advisor specializing in health policy issues at Humana. "How do you make individuals aware of the tools that are available to them? Aside from mandatory mailings, how do you highlight some of the features that could be contributors to an overall positive experience?"



Best practices in play

Fortunately, there are steps plan sponsors can take to establish a foundation for trust. First, employers must take a lead role in educating employees about the impact of transparency laws and publicly provide as much information as possible. Websites, email, corporate intranets—they are all



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powerful vehicles for informing workers on how they can access price comparison tools as well as communicate a company's position on new legislation.

But building trust hinges on more than simply educating individuals on price. Transparency about quality, performance, and value can also strengthen the relationship between patient and provider.

Morrisey agrees that a fuller picture of a healthcare service's potential value is critical for achieving outcomes that will lead to enhanced health and greater trust. “You can't really make a proper comparison [of medical services] if you have some information on quality and some information on price,” he says. “Knowing both price and quality matters when making informed decisions.”

For this reason, organizations would be wise to provide employees with performance metrics around healthcare providers and their services. Case in point: An employer could offer a list of preferred knee replacement providers the

company has vetted against its own quality criteria. This not only ensures the delivery of meaningful information, it demonstrates a plan sponsor's willingness to perform additional research and legwork.

Another approach to educating employees involves identifying trustworthy sources for finding critical healthcare information. “An employer can say, ‘Here's what we believe to be a couple of really good websites,’” says Morrisey. “Employees can then look at those and get a sense of where they should go for the best service.”

But while clear communication, quality indicators, and resource materials go a long way toward increasing transparency in healthcare and building trust, there are limitations to consider. “There's so much nuance to medicine that you can't convey to someone exactly what's covered in a plan in micro detail,” says Chernew. “It just won't happen. The same is true with pricing.”

Instead, he adds, “It's most important for an employer to understand the overall satisfaction people have with plans they are considering offering to their employees. When helping employees choose among several plans, it is important for employers to convey broad information about benefits and network breadth and report to employees how satisfied others have been on that plan rather than employers trying to describe all the small details of what's covered.”



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Health matters

The healthcare industry's legislative landscape is evolving to meet higher transparency standards. In turn, these regulations are asking health insurers, plan sponsors, and healthcare providers to take significant action, from informing patients of their network status to disclosing cost-sharing

information. But these requirements are more than simply legal obligations. Rather, they are prime opportunities for plan sponsors to build trust with individuals in ways that not only promote greater health but ensure better business outcomes, from enhanced market share to more engaged employees, provided the necessary best practices are put in place.

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1. "Trust in the health care professional and health outcome: A meta-analysis," National Library of Medicine, last accessed Aug. 23, 2024, <https://pubmed.ncbi.nlm.nih.gov/28170443/>
 2. "TrustID: Create competitive advantage for loyalty through trust," Deloitte Digital, last accessed August 25, 2024, <https://www.deloittedigital.com/us/en/accelerators/trustid.html>
 3. "2024 Edelman Trust Barometer Global Report," Edelman Trust Institute, last accessed Aug. 23, 2024, <https://www.edelman.com/trust/2024/trust-barometer>
 4. "Strengthen your practice with Real-Time Benefit Check," Humana, last accessed Aug. 23, 2024, <https://provider.humana.com/pharmacy-resources>

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