

# 7 Lessons Hospitals Can't Afford to Learn the Hard Way

**LESSON #5:  
INSURANCE VS.  
HEALTH CARE—  
DIFFERENCES FOR  
DUMMIES**



## AS RULES ON SHORT-TERM HEALTH PLANS RELAX, MORE PATIENTS COME IN WITH HIGH-DEDUCTIBLE PLANS THAT OFFER MINIMAL COVERAGE.

With increasing liability on patients, consumers need to understand their coverage and plan for the right level of care.

Some hospitals are taking on the challenge of educating patients to cushion the blow of a big bill — and protect their own reputations from scores of angry patients.

### *Transparency: More than a Trend*

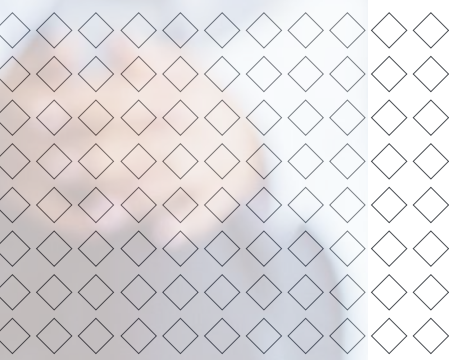
Hospital patients rarely know the actual cost of care they receive until they see a bill or explanation of benefits.

But consumer expectations are changing fast: People increasingly demand transparency.

80% of consumers agree that providers should discuss the cost of recommended treatment.

Thanks to media coverage, we all understand that the price—and quality—of medical services can vary considerably by provider.

But consumers don't necessarily equate a higher price with a higher level of quality.



## *Prep Providers to Talk about Cost*

Consumers saddled with high-deductible health plans and increasing out-of-pocket costs are increasingly demanding information related to cost – but not necessarily from their insurer.

### **Ensure your providers can answer likely patient questions:**

- What will the actual out-of-pocket costs be?
- If a provider orders a test, procedure or drug, will the patient's insurance cover it?
- Where can the patient get the best care for their money?
- What are the options if the patient cannot pay?

## *Shedding an Antiquated Mindset*

The economics underlying every other business finally caught up to health care.

Historically, the "consumer" in health care didn't matter much. Why?

- Health care consumers have had little access to easy-to-find, easy-to-compare cost and quality information
- Most of us don't pay for the full cost of our care so we aren't used to making rational trade-offs to increase value

Things are changing fast with the rise of consumerism and consumer choice in health care.

**Success today boils down to demonstrating high-quality care at a lower cost.**

For over 20 years, SE2 has worked with hospitals and health systems across the Rocky Mountain West to engage and influence providers, patients and policymakers.

Learn more at

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