



Research Brief

How Texans Use Health Care Price Information

A research brief
from Public Agenda
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This brief explores how Texans are trying to find and use price information, their attitudes about prices and how their behaviors and attitudes compare to those of Americans overall. Important findings include:

- 59 percent of Texans have tried to find information about health care prices before getting care, including 29 percent who have tried to compare prices across multiple providers.
- Of Texans who have tried to compare prices, 69 percent report saving money.
- 63 percent of Texans say higher prices are not typically a sign of better quality medical care.
- 50 percent of Texans are not aware that doctors' prices vary, and 52 percent are not aware that hospitals' prices vary.
- 83 percent of Texans think it is important for their state government to provide people with comparative price information.



Texas

Support for this report was provided by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the views of the Robert Wood Johnson Foundation.



Texans, like many Americans, bear a significant share of their health care costs in the form of high deductibles and insurance premiums, as well as copayments and, sometimes, coinsurance.¹ Health care systems in the United States have historically not made it easy for people to find out how much their care will cost them. In 2016, Texas was one of 43 states that received a grade of “F” from Catalyst for Payment Reform for their price transparency laws.² There has been little recent price transparency legislation in Texas, according to the National Conference of State Legislatures, which documents state actions in health and other policy areas.³ Texas runs a website that aggregates some types of financial data from insurers. That website does not provide Texans with information about how much they have to pay out of pocket for specific services or providers but efforts are underway to improve it.⁴ The state does not currently have an all-payer claims database, a crucial building block of price transparency, but is reportedly considering whether and how to develop one.⁵ In this landscape of limited price transparency, this research explores Texans’ behaviors, attitudes and perspectives related to health care price information.

Findings are based on a representative survey of 808 adults in Texas and a nationally representative survey of 2,062 U.S. adults, conducted from July through September 2016 by telephone, including cell phones, and online.⁶ For more details about the methodology, see page 18 of this research brief.

The research was conducted by Public Agenda and funded by the Robert Wood Johnson Foundation. A report on findings from the national survey and briefs on findings from surveys in New York State, Florida and New Hampshire, as well as topline findings, full methodology, question wordings and sample characteristics, are available at <http://www.publicagenda.org/pages/still-searching>.



MAIN FINDINGS



Over half of Texans have tried to find price information before getting care.

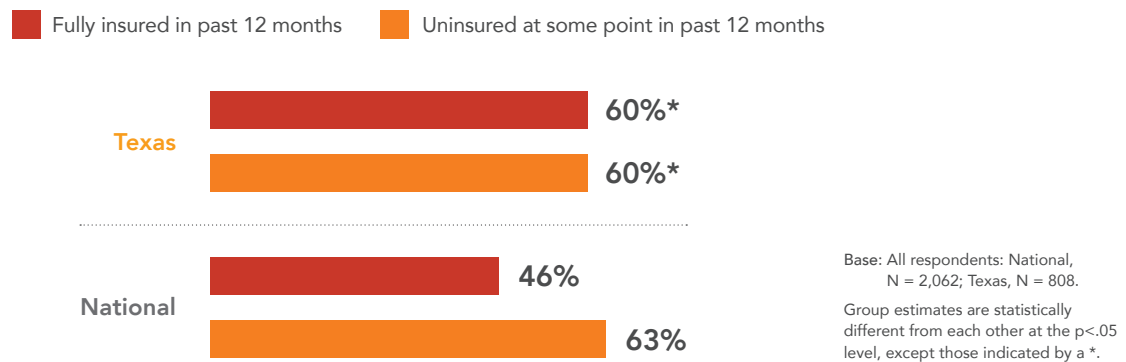
Fifty-nine percent of Texas residents have tried to find out before getting care how much they would have to pay out of pocket—not including copays—and/or how much their insurers would pay. Our research found a smaller proportion of Americans overall—50 percent—have tried to find price information before getting care.⁷

Insured Texas residents with deductibles are more likely to have tried to find price information before getting care than those without deductibles. Among insured Texans with deductibles, 66 percent have tried to find price information before getting care. In contrast, 52 percent of insured residents without deductibles have done so. Nationally, 57 percent of insured Americans with deductibles and 40 percent of insured Americans without deductibles have tried to find price information before getting care.

Texans who were uninsured at some point in the past year are just as likely to have tried to find price information as those who were fully insured over the past year. Sixty percent of Texas residents who were uninsured at some point in the past 12 months have tried to find price information before getting care. The same percentage of those who were fully insured in the past 12 months have also done so. This differs from our national survey findings, in which Americans who have been uninsured in the past year are more likely to have tried to find price information than those who were fully insured; see figure 1.

Texans who were uninsured at some point in the past year are just as likely to have tried to find price information.

Figure 1. Percent who say they have tried to find price information before getting care, by insurance status:



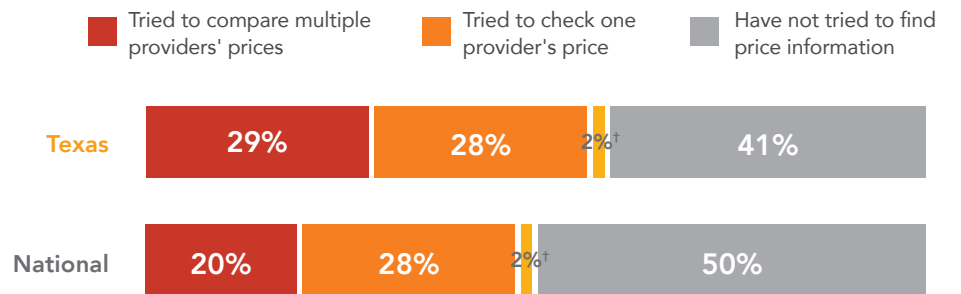
About 3 in 10 Texans have tried to compare prices. Of those who have tried to compare prices, more than half say they saved money.

One promise of health care price transparency is that people will use price information to “shop around”—that is, they will compare two or more providers’ prices and consider price in their health care decision-making.

Twenty-nine percent of Texas residents have tried to compare prices across multiple providers before getting care. Nationally, fewer Americans—20 percent—have tried to compare prices; see figure 2.

About 3 in 10 Texans have tried to compare prices across multiple providers before getting care.

Figure 2. Percent who say they have done one of the following before getting care:



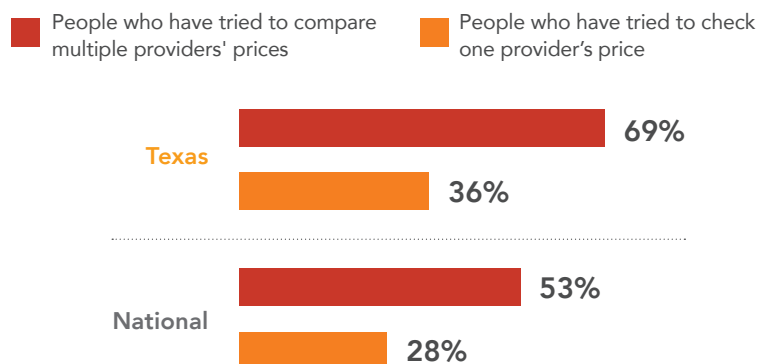
Base: All respondents: National, N = 2,062; Texas, N = 808.

† Indicates people who report having tried to find price information before getting care but answer "don't know" or refuse to answer when asked whether they have tried to compare prices across multiple providers or not.

Of Texas residents who have tried to compare prices, about two-thirds report saving money. Sixty-nine percent of Texans who have tried to compare multiple providers' prices before getting care report saving money, while only 36 percent of those who have tried to check one provider's price report saving money; see figure 3.

Texans who have tried to compare prices report saving money.

Figure 3. Percent who say they saved money when they have tried to find price information before getting care:



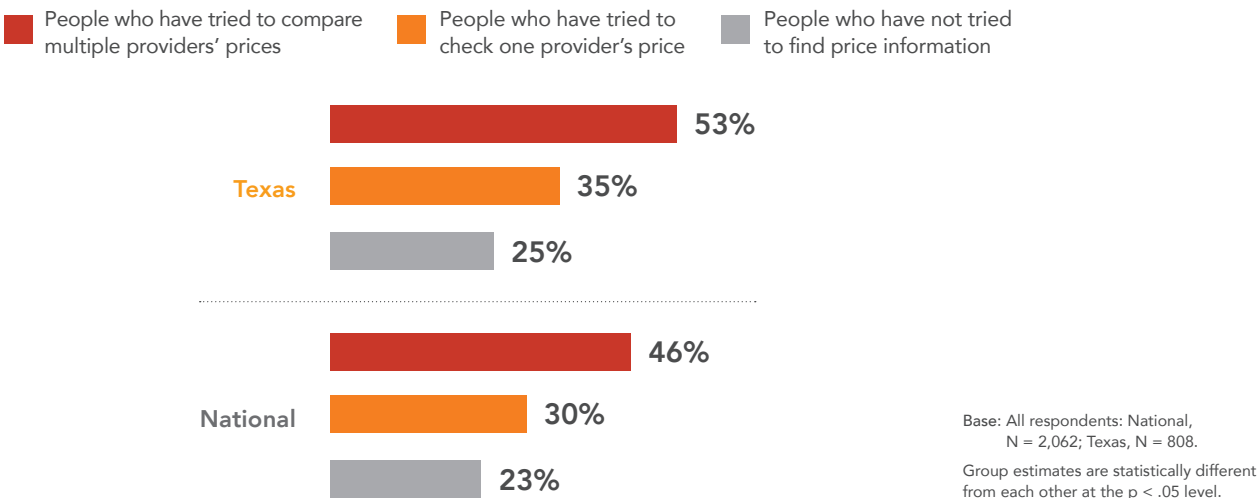
Base: Have tried to find out price information at least once before getting care: National, n = 1,019; Texas, n = 476.

Group estimates are statistically different from each other at the $p < .05$ level.

Texans who have tried to compare prices are more likely to make health care decisions for another adult family member. We found that 53 percent of Texans who have tried to compare prices make health care decisions for another adult family member. But only 35 percent of those who have tried to check one provider's price and 25 percent of those who have not ever tried to find price information make health care decisions for another adult family member. Similarly, among Americans overall, those who have tried to compare prices are more likely to make health care decisions for another adult family member; see figure 4.

Texans who have tried to compare prices are more likely to make health care decisions for another adult family member.

Figure 4. Percent who say they make health care decisions for another adult family member:





Most Texans do not think prices are a sign of quality in health care. Of those who have tried to compare prices, most have chosen less expensive care.

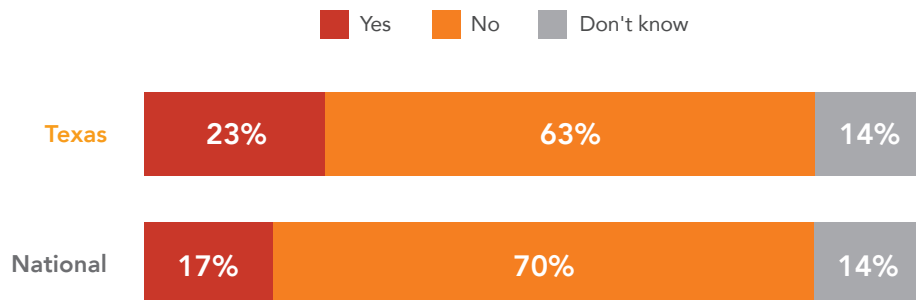
Before the publication of our 2015 report, some health care experts expressed the concern that making price information transparent could actually lead people to choose higher-priced care.⁸ This concern was based on the assumption that people think price is a sign of quality in health care. But this research indicates most Texans do not believe price and quality are associated in health care. Findings from our national survey and from our 2015 research similarly indicate that most Americans do not believe price and quality are associated.⁹

Most Texans do not think higher-priced care is better quality. Sixty-three percent say higher prices are not typically a sign of better quality medical care. Seventy percent of Americans overall say the same; see figure 5.

Most Texans do not think higher prices are typically a sign of better quality care.

Figure 5. Percent who say yes, no or don't know to the following question:

Would you say higher prices are typically a sign of better quality medical care, or not?



Base: Random quarter: National, n = 529; Texas, n = 195.

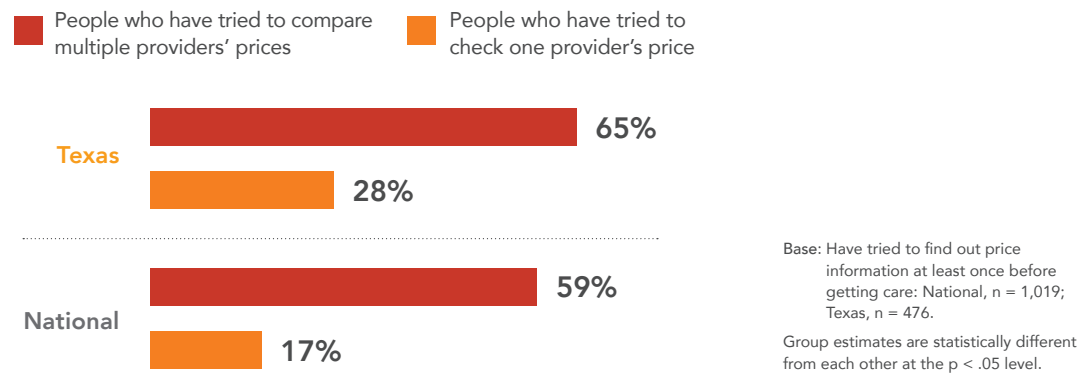
Numbers may not add up to 100 percent due to rounding and the less than one percent of respondents who refused the question and are not represented in the chart.

Of Texans who have tried to compare prices, many say they chose less expensive care.

Sixty-five percent of Texas residents who have tried to compare prices say they chose a less expensive doctor, hospital, medical test or treatment, as compared to 28 percent of Texans who have tried to check a single provider's price. Nationally, of Americans who have tried to compare prices, 59 percent say they chose less expensive care. Only 17 percent of Americans who have tried to check a single provider's price say they did so; see figure 6.

Texans who have tried to compare prices chose less expensive care.

Figure 6. Percent who say they have used price information to choose a less expensive doctor, hospital, medical test or treatment:



Among Texans who have tried to check a single provider's price before getting care, 58 percent indicate that if they compared prices, they would be inclined to choose less expensive doctors. However, 37 percent of them would not be inclined to do so, and 6 percent don't know.

Among Texans who have not ever tried to find price information before getting care, 45 percent indicate they would be inclined to choose less expensive doctors if they knew prices in advance. However, 38 percent of them would not be inclined to do so, and 16 percent don't know.



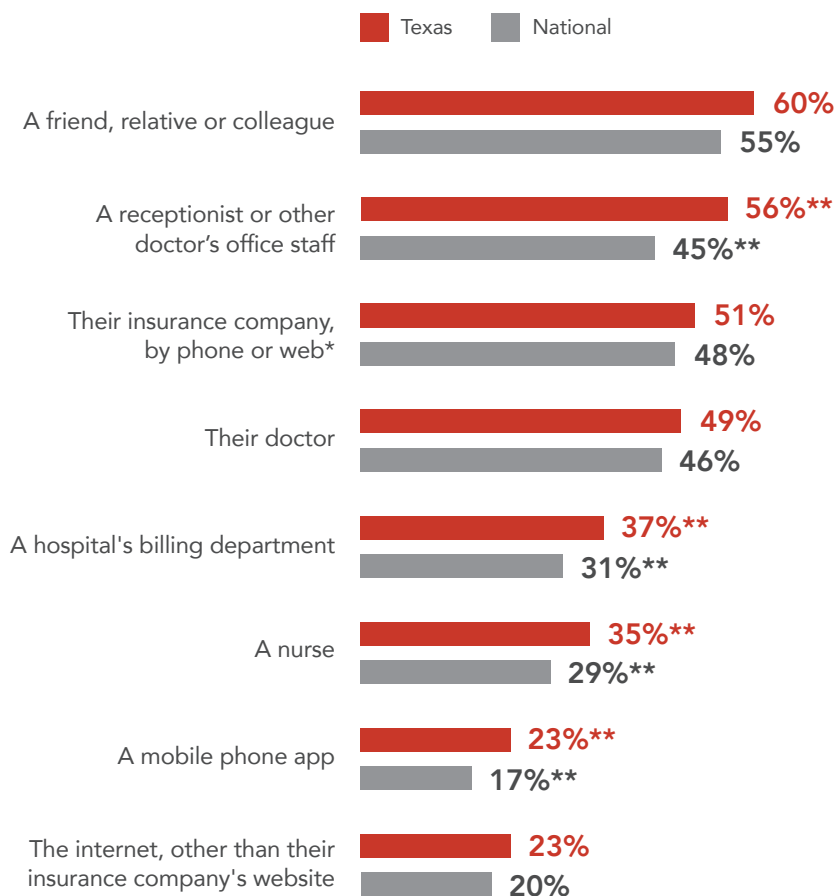
Texans turn to friends, relatives and colleagues; receptionists; and insurance companies when they try to find price information.

Researchers have found that few people use online price information tools when those tools are offered to them by their insurers or employers.¹⁰ This has led some experts to assume people are not interested in price information and do not care how much their health care costs.¹¹ However, as our survey found, online tools are only one among many sources people use to try to find price information.

The sources that Texans most commonly use to try to find price information include friends, relatives and colleagues; receptionists; and insurance companies. Few people report trying to find price information by using websites other than their insurers'; see figure 7.

Texans turn to the following sources for price information:

Figure 7. Percent who say they have tried to find price information before getting care, from the following sources:



Base: Have tried to find out prices for medical care in advance at least once: National, n = 1,019; Texas, n = 476.

*Base: Have tried to find out prices for medical care in advance at least once and currently or ever insured: National, n = 997; Texas, n = 448.

While most group estimates are not statistically different, ** indicates those that are statistically different at the p < .05 level.

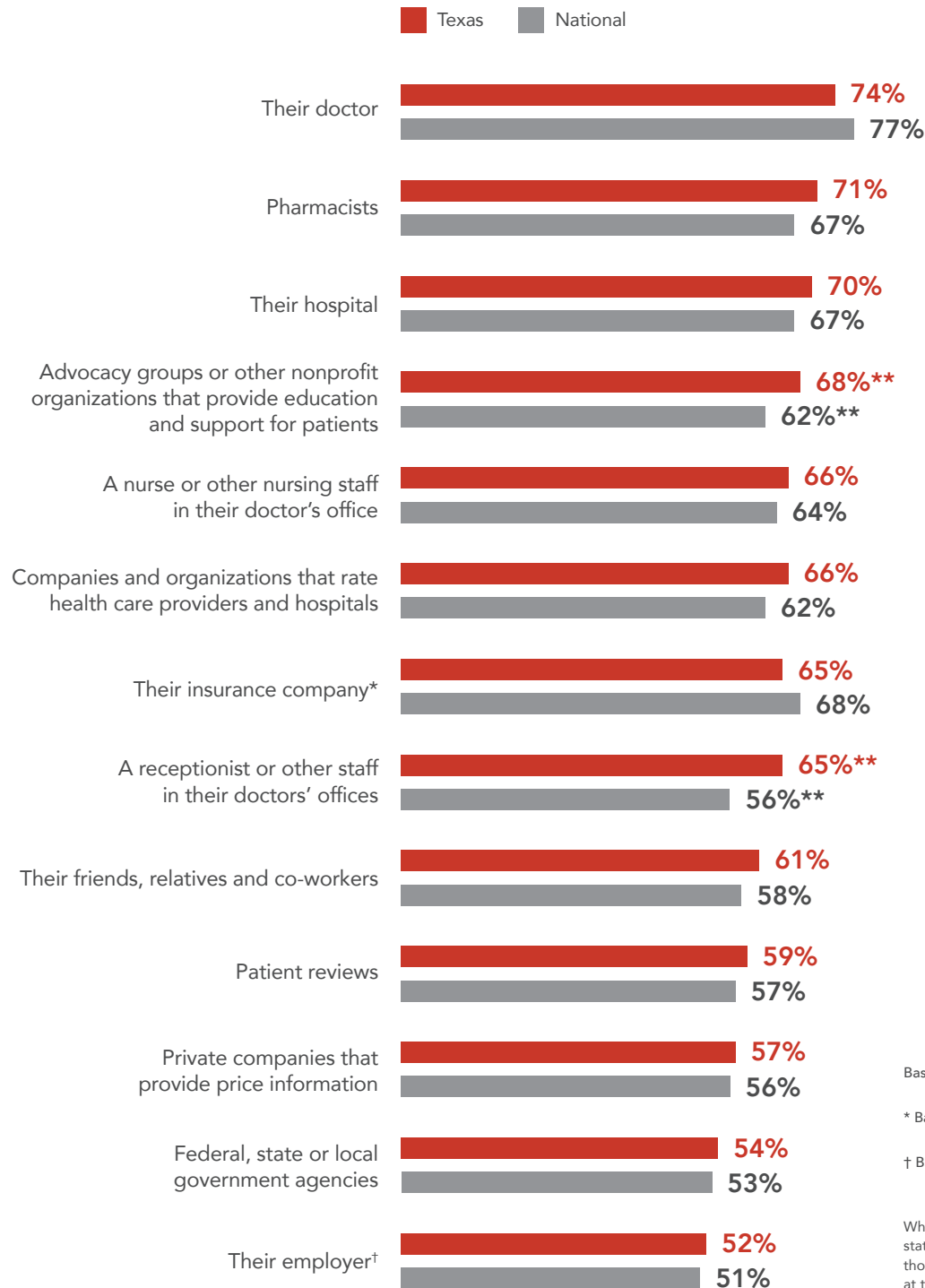
Texans who have not ever tried to find price information before getting care say they would be likely to use sources similar to those used by people who have tried to find price information. We asked Texas residents who have not ever tried to find price information which sources they would be likely to use if they wanted to find out prices before getting medical care. The sources they indicate they are likely to use include calling their insurance company or looking on their insurers' websites (48 percent) and asking their doctors (45 percent).

Among Texans who have already tried to find price information, 23 percent used websites other than their insurers' and 23 percent used a mobile phone app. But higher percentages of Texans who have *not* ever tried to find price information indicate they would be likely to use those sources if they wanted to find out prices before getting medical care: 41 percent indicate they would use websites other than their insurers' and 30 percent indicate they would use a mobile phone app.

Doctors, pharmacists and hospitals are trusted sources of price information. Fewer Texans would trust their employers for price information. We found most Texans—74 percent—would trust their doctors a great deal or some when it comes to finding out about the price of medical care; see figure 8.

Health care providers are trusted sources of price information.

Figure 8. Percent who say they do or would trust each of the following a great deal or some as a source of information about the price of medical care:



Base: All respondents: National, N = 2,062; Texas, N = 808.

* Base: Currently insured: National, n = 1,853; Texans, n = 662.

† Base: Currently employed and not self-employed: National, n = 952; Texans, n = 379.

While most group estimates are not statistically different, ** indicates those that are statistically different at the p < .05 level.

Most Texans—70 percent—think insurance companies are mostly interested in making money. Fewer think that of doctors or hospitals. Only 18 percent think insurers have patients’ best interests in mind, and 10 percent do not know. When asked the same question about hospitals and doctors, 36 percent of Texas residents say they think hospitals are mostly interested in making money, and 29 percent think doctors are; see figure 9.

Most Texans think insurance companies are mostly interested in making money. Fewer think that of doctors or hospitals.

Figure 9. Percent who say they think each of the following is mostly interested in making money or mostly has patients’ best interests in mind, or that they don’t know:



Base: All respondents: National, N = 2,062; Texas, N = 808.

Numbers may not add up to 100 percent due to rounding and the less than one percent of respondents who refused the question and are not represented in the chart.



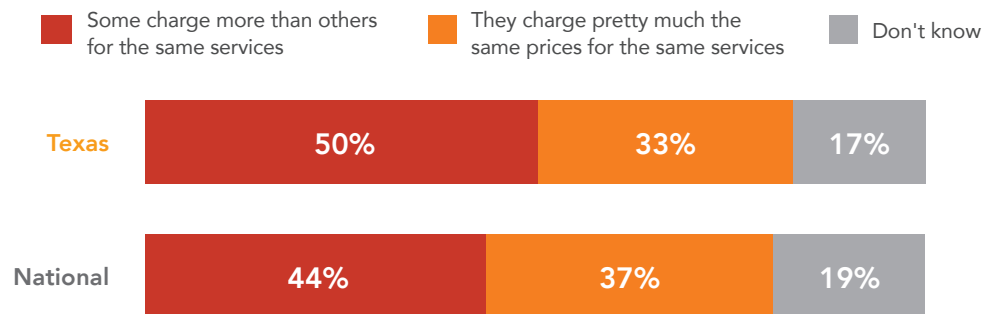
Potential barriers to increasing the use of price information by Texans include limited awareness of price variation and uncertainty about how to find price information.

Awareness of price variation among Texans is limited. When it comes to doctors, 50 percent of Texans say some charge more than others for the same services. But half—50 percent—either believe doctors charge pretty much the same prices for the same services (33 percent) or they don't know (17 percent); see figure 10a.

When it comes to hospitals, 47 percent of Texans say some charge more than others for the same services. But over half—52 percent—either believe hospitals charge pretty much the same prices for the same services (31 percent) or they don't know (21 percent); see figure 10b.

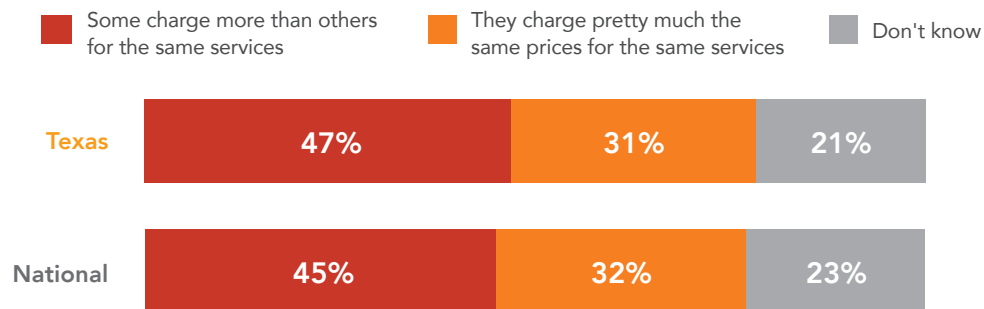
Awareness of price variation is limited.

Figure 10a. Percent who say they think the following about *doctors* in their insurance networks or in their areas:



Base: Random half: National, n = 1,025; Texas, n = 410.

Figure 10b. Percent who say they think the following about *hospitals* in their insurance networks or in their areas:



Base: Random half: National, n = 1,025; Texas, n = 409.

Numbers may not add up to 100 percent due to rounding and the less than one percent of respondents who refused the question and are not represented in the charts.

Of Texans who have not tried to find price information, about half indicate they are not sure how to do so. Sixty-five percent of Texas residents who have not tried to find price information before getting care indicate they would like to know the prices of medical services in advance. However, 54 percent of them indicate they are not sure how to do so.

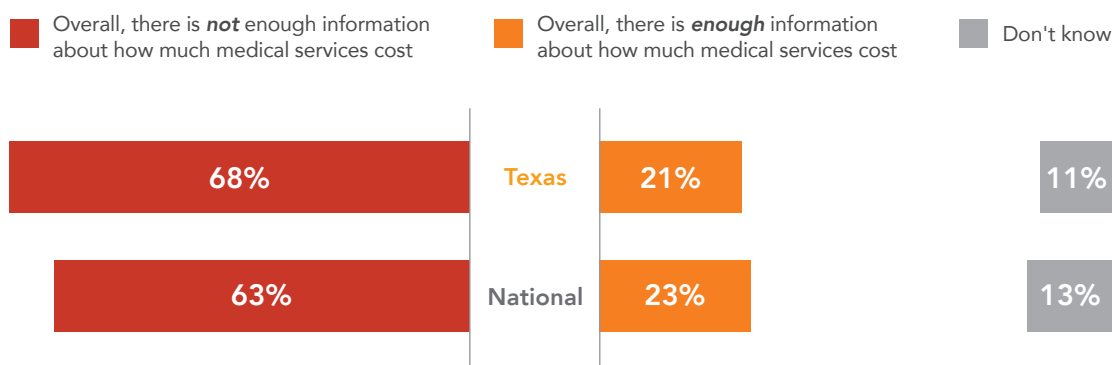


Texans want to know more about health care prices.

Most Texans say there is not enough health care price information. Sixty-eight percent of Texas residents and a slightly smaller percentage of Americans overall—63 percent—say there is not enough information about how much medical services cost; see figure 11.

About two-thirds of Texans say there is not enough health care price information.

Figure 11. Percent who say one of the following statements comes closest to their view:



Base: All respondents: National, N = 2,062; Texas, N = 808.

Numbers may not add up to 100 percent due to rounding and the less than one percent of respondents who refused the question and are not represented in the chart.

Most Texas residents think it is important for their state government to provide price information. Eighty-three percent of Texas residents and a slightly smaller percentage of Americans overall—80 percent—think it is important for their state governments to provide people with information that allows them to compare prices before getting care. Because our survey did not ask how important it is for other entities—such as insurers or employers—to

provide comparative price information, this finding may say as much about people's desire for more information about health care prices as it does about their desire for information specifically from their state government.

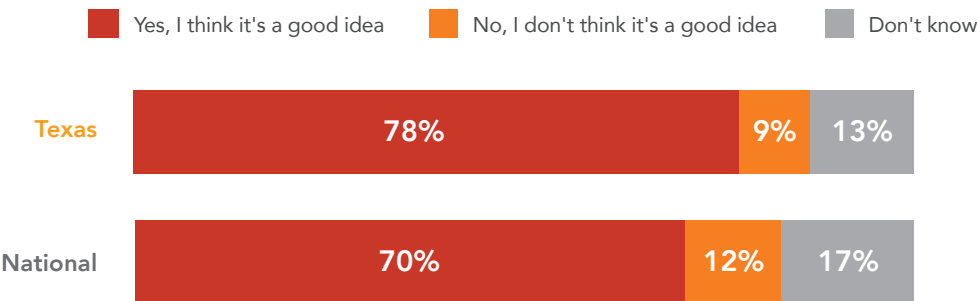
Most people in Texas favor doctors and their staffs discussing prices with patients.

However, fewer say that a doctor or their staff has brought up price in conversation

with them. Seventy-eight percent of Texas residents and 70 percent of Americans overall think it is a good idea for doctors and their staffs to discuss prices with patients before ordering or doing tests or procedures or referring them to specialists; see figure 12a. However, only 33 percent of Texans and 28 percent of Americans overall say that a doctor or their staff has brought up price in conversation with them; see figure 12b.

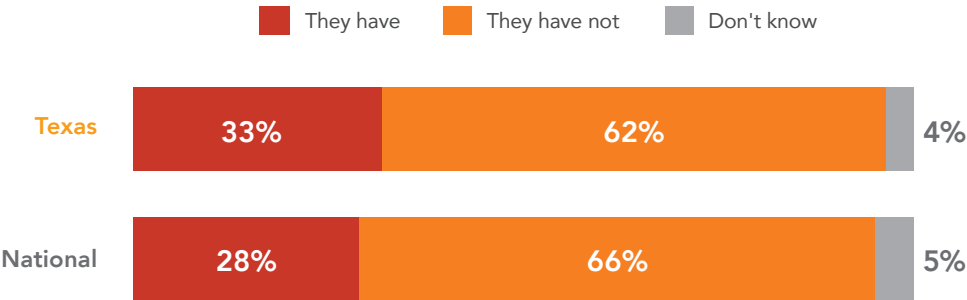
Most Texans favor doctors and their staffs discussing prices with patients. Fewer report that a doctor or their staff has brought up price in conversation with them.

Figure 12a. Percent who say it is or is not a good idea for doctors and their staffs to discuss prices with patients before ordering or doing tests, procedures or referrals, or that they do not know:



Base: All respondents: National, N = 2,062; Texas, N = 808.

Figure 12b. Percent who say a doctor or their staff has or has not brought up in conversation with them the price of a test, procedure or referral, or that they do not know:



Base: All respondents: All respondents: National, N = 2,062; Texas, N = 808.

Numbers may not add up to 100 percent due to rounding and the less than one percent of respondents who refused the question and are not represented in the charts.



IMPLICATIONS

Based on these findings, this brief concludes with implications and questions for policymakers, insurers, employers and providers, as well as for-profit and nonprofit price information providers, so efforts to make prices more transparent will be informed by and responsive to the perspectives and needs of Texans and Americans overall.

- **Help people compare prices to help them save money.** This research found that trying to compare prices across multiple providers is less common than trying to check one provider's price. Yet Texans who have tried to compare prices are more likely to report saving money. This suggests that just making price information available is not enough to help people save money. Insurers, employers and policymakers should also adopt strategies to encourage people to compare prices. These might include creating financial incentives to compare prices, building awareness of price variation, experimenting with reference pricing or other creative benefit designs, or building information systems that make multiple prices available for comparison.
- **Direct price transparency efforts toward people who face high out-of-pocket costs.** This research found Texans with deductibles are more likely to have tried to find price information before getting care. Insurers, providers, employers, policymakers and price information providers should, therefore, pay particular attention to the information needs of these people, who appear to be particularly interested in finding out about their out-of-pocket costs.

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- **Recognize the diversity of sources people use to try to find price information.** Besides friends, relatives and colleagues, the sources that Texans most commonly use to try to find price information include calling insurers and using insurers' websites, as well as asking doctors or receptionists. Policymakers, employers and others interested in helping people find price information should consider in-person or phone sources—like receptionists or insurers' customer service representatives—as part of the price information infrastructure and should consider how to ensure those sources are meeting people's needs efficiently. Past research has used insurance claims data to study whether people save money by using online price information tools provided by employers and insurers. But future research should also consider the impacts of in-person and phone sources of price information.
 - **Equip medical professionals and their staffs to discuss prices with patients or to refer patients to reliable sources of price information.** Doctors and their staffs emerged as trusted sources of price information for most Texans in this research, and most Texans favor doctors and their staffs talking to patients about price. How can "doctors and their staffs—including receptionists and nurses—be equipped to handle these conversations? These professionals may not need to be able to tell people exactly what certain medical services will cost them, but they could discuss costs and coverage more generally and guide people toward more specific price information if necessary.
 - **Employers should find ways to build trust with more of their employees.** Some employers have already invested in price information tools for their employees. Yet the percentage of Texans who would trust their employers as potential sources of price information is lower than the percentages who would trust other potential sources. Employers and employees could both benefit from lower health care spending. Therefore, it would be in employers' interests to become trusted sources of or trusted guides to price information for more of their employees.
 - **Texas should consider a range of ways to make price information more transparent.** Despite finding that fewer people would trust local, state and federal governments as sources of price information than would trust other potential sources, this research also found most Texans think it is important for their state government to provide comparative price information. What can states like Texas reasonably do to fulfill people's interest in price information? Besides providing information themselves, how can states encourage insurers and providers to be more transparent about prices and help state residents understand the extent of price variation?

METHODOLOGY IN BRIEF

This brief summarizes findings from a nationally representative survey of 2,062 U.S. adults ages 18 and older and a representative survey of 808 adults in Texas. Interviews were conducted from July through September 2016. These surveys were conducted in conjunction with representative surveys in three additional states: a survey of 802 adults in New York, one of 819 adults in Florida and one of 826 adults in New Hampshire.

Respondents could choose to complete the survey in English or Spanish. Data for both surveys were collected through 40 percent phone interviews, including cell phones, and 60 percent online surveys. The phone response rate for the national survey was 12.8 percent and for the Texas survey was 14.4 percent, using the American Association for Public Opinion Research's Response Rate Three (RR3) formula. Response rates did not differ between landline and cell phone interviews.

For both surveys, the phone sample was weighted to correct for variance in the likelihood of selection for a given case. Phone and online samples were combined using propensity score matching and were weighted to general population demographics.

The weight-adjusted margin of error is ± 2.6 percentage points for the national survey and ± 4.2 percentage points for the Texas survey. Differences reported between subgroups are statistically significant at the $p < .05$ level unless otherwise stated. The surveys were designed by Public Agenda and fielded by Social Science Research Solutions, Inc.

Public Agenda conducted this research with support from the Robert Wood Johnson Foundation. For research briefs on the other three states and for the full national research report, including topline findings, full question wordings and sample characteristics, please go to <http://www.publicagenda.org/pages/still-searching>.

ENDNOTES

- ¹ Agency for Healthcare Research and Quality, "Table II.F.1, Table II.F.2, Table II.F.3, Table II.F.4, Table II.F.5 and Table II.F.6," Medical Expenditure Panel Survey Insurance Component Tables, 1996–2015, generated using MEPSnet/IC on January 31, 2017, https://meps.ahrq.gov/mepsweb/data_stats/MEPSnetIC/startup.
- ² Catalyst for Payment Reform and Health Care Incentives Improvement Institute, "Report Card on State Price Transparency Laws" (Oakland CA: Catalyst for Payment Reform, 2016), <http://www.hci3.org/wp-content/uploads/2016/07/reportcard2016.pdf>.
- ³ National Conference of State Legislatures, "Transparency and Disclosure of Health Costs and Provider Payments: State Actions" (Denver, CO: National Conference of State Legislatures, 2015), <http://www.ncsl.org/research/health/transparency-and-disclosure-health-costs.aspx>; Eightieth Texas Legislature, "Consumer Access to Health Care Information" [bill] in SB 1731, edited by Legislature of the State of Texas, 2007, <http://www.legis.state.tx.us/BillLookup/Text.aspx?LegSess=80R&Bill=SB1731>.
- ⁴ Texas Department of Insurance, "Health Care Reimbursement Rate Consumer Information Guide" [website], accessed January 31, 2017, <https://www.wapps.tdi.state.tx.us/inter/asproot/life/reimbursement/imprvdataqual.html>; Texas Department of Insurance, "Health Care Reimbursement Rate Information 28 Tac §§21.4501–21.4507" [proposed amendment], 2015, <http://www.tdi.texas.gov/rules/2015/documents/subbkproposal.pdf>.
- ⁵ All-Payer Claims Database (APCD) Council and National Association of Health Data Organizations (NAHDO), "Interactive State Report Map" (Durham, NH: APCD Council, 2017), <https://www.apcdcouncil.org/state/map>.
- ⁶ Telephone and online samples were combined using propensity score matching techniques and weighted to the general U.S. population. See the methodology at the end of "Still Searching" for a detailed description of how this research was conducted.
- ⁷ This percentage includes those who say they have ever tried to find out how much they would have to pay out of pocket, not including a copay, in any one or more of the following four situations: before visiting a primary care doctor, before visiting a specialist doctor, before a hospital stay or before getting a medical test. It also includes those who say they have ever tried to find out before getting care what a doctor or medical facility would charge their insurance companies.
- ⁸ Ateev Mehrotra, Peter S. Hussey, Arnold Milstein and Judith H. Hibbard, "Consumers' and Providers' Responses to Public Cost Reports, and How to Raise the Likelihood of Achieving Desired Results," *Health Affairs* 31, no. 4 (2012): 843–51; Anna D. Sinaiko and Meredith B. Rosenthal, "Increased Price Transparency in Health Care—Challenges and Potential Effects," *New England Journal of Medicine* 364, no. 10 (2011): 891–94.
- ⁹ Kathryn A. Phillips, David Schleifer and Carolin Hagelskamp, "Most Americans Do Not Believe that There Is an Association Between Health Care Prices and Quality of Care," *Health Affairs* 35, no. 4 (2016): 647–53; David Schleifer, Rebecca Silliman and Chloe Rinehart, "Still Searching: How People Use Health Care Price Information in the United States, New York State, Florida, Texas and New Hampshire" (Brooklyn, NY: Public Agenda, 2017), <http://www.publicagenda.org/pages/still-searching>.
- ¹⁰ Sunita Desai, Laura A. Hatfield, Andrew L. Hicks, Michael E. Chernew and Ateev Mehrotra, "Association Between Availability of a Price Transparency Tool and Outpatient Spending," *JAMA* 315, no. 17 (2016): 1874–81; Anna D. Sinaiko, Karen E. Joynt and Meredith B. Rosenthal, "Association Between Viewing Health Care Price Information and Choice of Health Care Facility," *JAMA Internal Medicine* 176, no. 12 (2016): 1868–70; Aparna Higgins, Nicole Brainard and German Veselovskiy, "Characterizing Health Plan Price Estimator Tools: Findings from a National Survey," *American Journal of Managed Care* 22, no. 2 (2016): 126–31.
- ¹¹ Austin Frakt, "Price Transparency Is Nice. Just Don't Expect It to Cut Health Costs," *New York Times*, December 19, 2016, https://www.nytimes.com/2016/12/19/upshot/price-transparency-is-nice-just-dont-expect-it-to-cut-health-costs.html?_r=0.



PUBLIC AGENDA

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