

Flu shot flap just one symptom of ailing health care

Revelations that the University of Pittsburgh Medical Center is charging \$135 to health insurers for flu shots administered at a flu shot clinic compared to the \$22 an individual would pay are troubling.

A smart consumer brought the issue to light when she recognized that her insurance paid far more than she would have when the charge for the shot was filed through her medical insurance plan.



INSIDER'S VIEW

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In media coverage, UPMC stated it charges all insurers \$135 for flu shots, though it declined to explain why.

UPMC said it is reviewing its flu shot billing policies and no patient would be liable for more than \$22, despite the charge to insurers of \$135.

But are employers that pay the bill under their benefits programs paying \$22 per flu shot for their individual

employees?

Beyond the initial sticker shock, the flu shot flap is just one symptom of the much greater issue of transparency, or lack thereof, in health care costs and quality.

The veil of secrecy stymies employers as business leaders and government officials seek solutions for exorbitant health care costs and greater transparency.

The mysterious ins and outs of health care pricing and quality perplex employers that offer health care benefits and employees who contribute to their health care benefits.

Despite employers' best efforts to educate employees and help them make prudent health care purchasing decisions, the credible data to succeed, and thus help control health care costs, are missing from the equation.

When the only apples-to-apples comparison across health care providers is charges, there is no way for health care consumers to determine the actual cost or quality of the services they are purchasing. Health care provider charges appear to be meaningless, as

evidenced by the \$135 flu shot cost.

Health care insurers rarely, if ever, reimburse providers for the full amount of what they charge. So why does UPMC charge \$135 to administer a dose of flu vaccine? A single dose of vaccine can cost as little as \$12, a cost that providers many times double to cover the cost of giving the shot.

Reimbursements for health care services and procedures are negotiated between providers and insurers. But if charges don't represent the actual cost or quality of services, how can we be sure the negotiated reimbursement is a true reflection of the service being provided?

How do we know the operating margins of nonprofit providers and insurers aren't being padded at the expense of the unknowing consumer (and employer)?

Earlier this year, more than 80 public and private businesses and organizations in the Pittsburgh region pledged to work together to obtain quality and price information about doctors, hospitals and other medical providers for employees in their health care benefits programs.

It's time for all regional insurers and health care providers to fully participate in this effort.

By coming together, employers can create a stronger voice to influence contract negotiations between private insurers and health care providers to ensure that reimbursements are true reflections of costs.

By demanding and supporting efforts like the Pennsylvania Health Care Cost Containment Council's recent report showing the wide disparities in reimbursements for cardiac surgeries to hospitals in our region — regardless of the outcomes — health care consumers can keep the pressure on providers and insurers for greater transparency.

Until then, consumerism in health care and free-market principles — solutions meant to solve the nation's health crisis — will remain unachievable.

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