

Educate individuals to prevent sky-rocketing health care costs

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Educating individuals about the costs of healthcare could save money and lead to a more efficient use of the healthcare system, report policy researchers at Tufts University School of Medicine and Boston University School of Public Health. The study is the first to assess the effect of knowledge and perceptions of cost-sharing levels (the percentage of cost borne by individuals out of total healthcare costs) on self-reported and actual behavior. The study points to a need to examine how changes to cost-sharing might change consumer behavior to contain costs while still getting appropriate care.

Employers increase healthcare costs to employees partly to reduce their own costs and partly to motivate employees to use the healthcare system in a more cost-efficient way. The researchers wanted to identify how changing the cost-sharing levels affected how employees used the healthcare system. The study, published in The [American Journal of Managed Care](#), found an association between the employees who were more informed about overall healthcare costs and their higher ratio of office visits to [emergency room](#) visits, when compared with the visit ratio of other employees who were less informed

"We know how much electricity costs us and we know how much our groceries cost, but, as patients, costs of our healthcare remain vague. As patients, we know that we might have a co-payment but we rarely know the underlying costs or the differences in costs depending on our utilization of the [healthcare system](#). The complexity of the medical and billing systems have prevented consumers from understanding how best

to utilize healthcare options to contain costs," said Amy Lischko, DSc, assistant professor of public health and community medicine at Tufts University School of Medicine in Boston.

"Respondents who were more informed about their specific copayments for office visits and emergency room visits were more likely to have more office visits and more likely to have fewer emergency room visits. Given the enormous costs of emergency room visits in contrast to office visits, it appears that more transparency about costs of healthcare services could help both employees and employers contain their respective expenditures on health services," said James Burgess, Jr, PhD, associate professor of health policy and management at Boston University School of Public Health.

Lischko and Burgess conducted a survey of approximately 1,500 employees of the Commonwealth of Massachusetts, over a period of increasing copayments, to assess their knowledge of cost sharing and healthcare utilization. The survey data was merged with claims data for respondents and their dependents.

"Although this study cannot be generalized across the country, it does argue for developing strategies to educate patients better about their cost-sharing responsibilities so that costs for everyone can be contained. As we implement healthcare reform, and as insurance becomes available to millions of previously uninsured people, we have an unprecedented opportunity to provide incentives to use the system efficiently and to educate people about the effects of their behavior on overall health care costs," Lischko said.

More information: Lischko, AM and Burgess JF. The American Journal of Managed Care. 2010 (April 8); 16(4):298-304. "Knowledge of Cost Sharing and Decisions to Seek Care."

Provided by Tufts University

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