

Executive Summary

Understanding the Use and Impact of Price Transparency in Health Care: Where Are We and Where Do We Go from Here?

In 2013, the Robert Wood Johnson Foundation (RWJF) launched a call for proposals for empirical studies that would contribute to understanding the use and impact of price data in health care. The goal was to generate reliable and generalizable evidence to inform policymakers and other stakeholders and accelerate the pace of efforts to use price information effectively. As this program, managed by AcademyHealth, concludes, rising health care prices and the need for price transparency have garnered national attention. In May 2016, RWJF held a meeting that provided an opportunity for RWJF grantees to present some of the key findings from their research to a panel of experts actively engaged in developing and using health care price information. The full meeting discussion and the RWJF grantees' projects are summarized in a related [issue brief](#). The key findings presented at the meeting include:

- Consumer demand for and availability of price information is growing, but many consumers do not use price comparison tools when they are available, and use of transparency tools did not significantly reduce consumer health spending or total health expenditures.
- Although previous research has suggested that clinicians reduce their ordering rates when they are given information on prices, the current RWJF studies found no overall change in ordering rates when pricing information was displayed on physicians' ordering screens at the point of care.

- The consolidation of health care markets appears to have significant effects on health prices, and market power is associated with higher prices.

For meeting participants, the growing demand for price information from the public and from payers underscored the need for focused research on (1) what types of price information (and other aspects of value) consumers want and (2) how to get that information to them in ways that they can and will use. There are also large gaps in understanding how clinical care providers engage, or do not engage, with patients on issues of price and value and what constitutes the “tipping point” in terms of the proportion of value-based payments that would lead to more cost-conscious treatment decisions. Meeting participants called for greater attention to the needs of low-income and other vulnerable consumers who command neither market power nor the resources to use many of the price tools that are currently available. Discussants cautioned that the work on developing and using health care price information requires an awareness that price transparency and comparative pricing tools need to be part of a broader agenda that addresses benefit design and provider payment policies, potentially fostering more effective price competition in health markets.

