



Contents lists available at ScienceDirect

Pain Management Nursing

journal homepage: www.painmanagementnursing.org

Editorial

Confusing Costs of Healthcare and Impact on Patients and Families



In February the Health Care Cost Institute, a Washington-based non-profit, issued its study entitled “2017 Health Care Cost and Utilization Report” (Biniek & Hargraves, 2019). This publication examines claims data of 40 million Americans from four of the largest health insurers. It found that per-person spending on healthcare including prescription drugs, professional services, and “inpatient/outpatient services averages \$5,641 per year” (2017 Health Care Cost Utilization Report, 2019, p. 2.). While this may be affordable for some people, it is certainly not for many others. To complicate the matter further, patients and their families are usually unclear about the real cost of the drugs, therapies, diagnostic testing, and other treatments they receive. Further, a study by Kennedy, Johnson, Rodrigues, and Brennan (2019) discovered vast differences in the prices of routine medical care among different metro areas across the U.S. and substantial price variations for the same services even within the same communities. Because of these differences, families are being asked to pay more for health insurance while high deductible insurance plans are becoming much more widespread (Kennedy, Johnson, Rodrigues, & Brennan, 2019). We know that at least three in ten Americans report having difficulties paying their medical bills (Dijulio, Kirzinger, Wu & Brodie, 2017).

What do these cost disparities have to do with pain management? Pain does not discriminate by age, gender, race, culture, economic status, or geographical location. In the U.S., the direct and indirect costs associated with chronic pain from any cause have been estimated to be between \$560 and 635 billion dollars annually. That is almost twice the cost of cardiovascular disease or cancer (Gaskin, & Richard, 2012).

Consumers are sometimes reluctant to seek treatment options because of cost concerns and are often lost in a maze of varied and confusing fees, undisclosed pricing, and lack information on what their treatment options are as well as the related costs. Regrettably, most consumers have only a limited notion of what they will be asked to pay for healthcare services, pharmaceuticals, and related ancillary care and potential complementary/alternative services.

In addition, healthcare organizations themselves do not always know their costs. Tina Decker from Spectrum Health in Grand Rapids, Michigan writes “Healthcare organizations nationwide struggle to determine the actual cost of providing care to patients” (Decker, 2019, p.15.). It would seem that operating any type of organization, either for-profit or non-profit, requires a detailed knowledge of the cost of providing services. Why is healthcare different from other industries? And, most importantly, how does this lack of costing knowledge affect the prices charged to patients and families? Simple reasoning would suggest that if organizations do not know their costs, they will charge higher fees in order to protect their margins. Unfortunately, the miss-management of healthcare costs results in a greater financial burden for health insurers who

then raise their premiums to consumers who may already be struggling to pay for services.

The U.S. healthcare system relies on a complicated classification of reimbursements and payment codes that create a lack of clarity for consumers. Most have learned to cope with the system, but the lack of cost transparency and standard pricing leads to frustration as well as non-adherence. Those with chronic pain are often the most severely affected since they must interface with the healthcare system on a frequent basis.

We know that lack of affordability is one of the main reasons patients do not adhere to therapeutic recommendations, especially those with chronic conditions (Patel, Piette, Resnicow, Kowalski-Dobson & Heisler, 2016). Obviously healthcare providers are not expected to be aware of each patient’s ability to pay. However, professional caregivers often know when patients and their families are experiencing financial stress and sometimes hear concerns from patients or families about how to pay for services. While not part of clinical training, nurses need to be aware of their organizations’ financial support systems and how patients and/or families may gain access.

In addition to the Health Care Cost Institute (www.healthcostinstitute.org), there are many other national organizations focusing on healthcare costs such as:

Centers for Medicare and Medicaid Services (CMS) www.cms.gov. CMS provides detailed health expenditure data tables that provide excellent information on healthcare spending.

Families USA (www.familiesusa.org/). Families USA is “dedicated to the achievement of high-quality, affordable health care and improved health for all” and assert, “our current health care system is riddled with inefficiencies that increase costs and harm patients” (2019, p.1). Their mission is to help families obtain the support required to live healthy lives, including receiving high quality, low-cost, consumer-centered healthcare (2019).

Health Affairs (www.healthaffairs.org/). The publication Health Affairs focuses both domestic and global health policy. Its mission is to “serve as a high-level, nonpartisan forum to promote analysis and discussion on improving health and health care, and to address such issues as cost, quality, and access” (2019, p.1).

Henry J. Kaiser Family Foundation (www.kff.org/). This foundation provides excellent summaries of healthcare costs and even offers a “Household Health Spending Calculator.”

Institute for Healthcare Improvement (IHI) www.ihl.org/. This organization focuses on reducing waste, value based medicine, patient safety, and improving the patient experience.

National Association of Clinical Nurse Specialists (NACNS) <https://nacns.org/>. While NACNS’ primary goal is to advance the role of clinical nurse specialists, it is also heavily focused on the role of nurses in achieving cost savings in healthcare delivery.

While somewhat dated, NACNS published a white paper entitled “Impact of the Clinical Nurse Specialist Role on the Costs and quality of Health Care” (2013) that provides an excellent overview of ways nurses may reduce costs of healthcare delivery while also maintaining quality healthcare services.

National Health Council (NHC) www.nationalhealthcouncil.org. NHC “provides a voice for people with chronic diseases and disabilities and their family caregivers” (2019, p. 1). It has published policy recommendations for reducing healthcare costs as well as deas focusing on cost transparency, providing estimates to patients/families, monitoring drug pricing, encouraging outcomes-based contracting, and promoting value-based insurance design (NHC, 2019).

National Coalition on Health Care (NCHC) www.hchc.org/. NCHC is a nonprofit representing medical societies, businesses, unions, healthcare providers, faith-based associations, pension and health funds, insurers, and groups representing consumers, patients, women, minorities and persons with disabilities. The Coalition has a heavy focus on educational activities to increase understanding of the impact of health cost and quality problems on our nation’s physical and financial health.

National Association of Health Underwriters (www.nahu.org/). NAHU is a national trade association representing health insurance agents and brokers. NAHU published an excellent white paper entitled “Healthcare Cost Drivers” (2015) that provides a detailed overview of the various factors that impact healthcare costs.

While healthcare costs will continue to drive upward, it is clear that nursing plays an important role with the ability to spot areas where costs may be reduced without affecting delivery of care. Yet, the first essential step is to understand the healthcare

economic model. This requires building a knowledge base and a deeper understanding of the cost of services, areas where waste occurs, and how to educate both patients and families on ways to reduce the use of unnecessary and often overpriced services. Moreover, pain management for patients and families does not need to be a financial burden if managed well with the judicious use of healthcare services combined with best evidence-based pain management practices.

References

- Biniek, J. F., & Hargraves, J. (2019). *2017 Health Care Cost and Utilization Report*. Washington, DC: Health Care Cost Institute.
- Decker, T. F. (2019). Understanding costs and supporting transparency- keys to quality costs. *Frontiers of Health Services Management*, 35(3), 14–24.
- Dijulio, B., Kirzinger, A., Wu, B., & Brodie, M. (2017). *Data note: Americans challenges with health care costs*. Washington, DC: Henry Kaiser Foundation.
- Gaskin, D. J., & Richard, P. (2012). The economic cost of pain in the United States. *Pain*, 13(8), 715–724.
- Kennedy, K., Johnson, B., Rodriguez, S., & Brennan, N. (2019). *Past the Price Index Index: Exploring Actual Prices Paid for Specific Services by Metro Area*. Washington, DC: Health Care Cost Institute.
- National Health Council. (2019). <http://www.National%20Health%20Council.org>. (Accessed 7 August 2019).
- Patel, M., Piette, J., Resnicow, K., Kowalski-Dobson, T., & Heisler, M. (2016). Social determinants of health, cost- related nonadherence, and cost-reducing behaviors among adults with diabetes: Findings from the National Health Interview Survey. *Medical Care*, 54(8), 796–803.

Elaine L. Miller, PhD, RN, CRRN, FAAN, FAHA
University of Cincinnati
College of Nursing