Difficult To Obtain Pricing, Costs For Total Hip Replacement

Researchers who sought to determine whether pricing information for a total hip replacement could be obtained from hospitals and physicians found getting such information was often difficult and that there were wide variations in the quoted prices, according to a report published by *JAMA Internal Medicine*, a JAMA Network publication. Data on hospital quality – and to a lesser degree physician quality – are available from public and private sector sources. However, data on hospital and physician pricing are more difficult to obtain, the authors write in the study background.

Jaime A. Rosenthal, of the University of Iowa Carver College of Medicine, Iowa City, and colleagues randomly selected two hospitals from each state and Washington, D.C., that perform total hip replacement (total hip arthroplasty, THA), as well as 20 top-ranked orthopedic hospitals, to request the "bundled price" (hospital plus physician fees) for the procedure for an uninsured patient with the financial means to pay out of pocket.

"We found that only 16 percent of a randomly selected group of U.S. hospitals were able to provide a complete bundled price, though an additional 47 percent of hospitals could provide a complete price when hospitals and healthcare providers were contacted separately," the authors note. "Finally, we found that price estimates varied nearly 10-fold across hospitals, which is surprising considering that all hospitals were provided with standardized information about the procedure being requested."

According to the results, nine top-ranked hospitals and 10 non-top-ranked hospitals were able to provide a complete bundled price. Researchers also were able to obtain a complete price estimate from an additional three top-ranked hospitals and 54 non-top-ranked hospitals by contacting the hospitals and physicians separately. Researchers also found a wide range of complete prices for a total hip replacement. At top-ranked hospitals the complete price ranged from $12,500 to $105,000 and at non-top-ranked hospitals prices ranged from $11,100 to $125,798, according to the study results.

"In conclusion, we have found that despite a growing interest in price transparency, obtaining pricing information for a common medical procedure (THA) is very difficult. We also observed enormous variation in price estimates across hospitals. Our results demonstrate that many health care providers are not able to provide reasonable price quotes," the study concludes.

In a related commentary, Andrew Steinmetz, B.A., and Ezekiel J. Emanuel, M.D., Ph.D., of the University of Pennsylvania, Philadelphia, write: "There is no justification for the inability to report a fee estimate, or a 12-fold price variation for a common

elective procedure like a hip replacement. But unfortunately, this is only half the problem. The little price information that we do have is of almost no value when it is not accompanied by rigorous data to measure quality – data like post-operative mortality, infection rates and six-month redo rates."

"Without quality data to accompany price data, physicians, consumers and other healthcare decision makers have no idea if a lower price represents shoddy quality or if it constitutes good value. And, since patients are reluctant to cut corners when it comes to their health and the health of their family members, they are liable to falsely assume – as they do in other markets – that higher prices correlate with higher quality," they continue. "This has and will continue to lead many Americans to waste money on high-priced but standard- (or even low-) quality medical services. Price transparency without quality transparency could actually bid up prices. If we want to improve market efficiency, we need both."

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