

# KNOW YOUR BENEFITS.

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Innovative HealthPlan Solutions / Intelligent Cost Management



## CDHC: Comparison Shopping

As consumers look to take control of their health care and spending habits, they should get acquainted with the concept of “shopping around” for health care services. This can be accomplished by doing cost comparisons, understanding differences in quality of service and using a personal cost-benefit equation to determine when the expense is worthwhile.

Most consumers spend time comparison shopping for new electronics or cars, but may find the concept of shopping around for health care strange. However, as health care costs continue to grow, consumers are realizing the need to control their own health care costs, and taking increased responsibility for health care spending decisions is an effective strategy to manage costs.

The consumer driven health care (CDHC) trend is a positive force in this transition. Not only does it empower the individual to make the right choices for personal well-being, but it also sets the system up to work more efficiently by encouraging that kind of decision-making at every level. Basically, it puts the incentives in the right places for individuals, providers and employers to take

responsibility for the elements they can control. This new reality gives consumers a reason to keep costs down by avoiding unnecessary care, staying healthy and participating in disease management programs. Most importantly, it encourages the consumer to comparison shop—not just for quality, value and service, but also for price. This is accomplished by negotiating lower fees with physicians or insisting on generic prescriptions.

All this shopping around encourages healthy competition at all levels of the health care food chain, and that kind of competition leads to the development of tools to further help the consumer. For example, innovations such as call-in health advice (where an on-call nurse evaluates symptoms) help patients determine whether to rush to the doctor or wait a few more days, while third-party providers are now offering easy-to-navigate databases of health data designed to help patients find and compare doctors and hospitals. This type of information puts power into the hands of consumers and forces health care providers to compete for business.

At the employer level, many companies are beginning to offer online calculators designed to help plan and manage health savings accounts (HSAs).

On the individual level, employees can save a lot of money by asking questions and searching for the most economic option that doesn't sacrifice value. Examples may include:

- Asking about cost for treatments and procedures
- Asking about alternative treatments
- Requesting generic drugs instead of brand name
- Calling around to find the lowest cost procedures, treatments and medications
- Searching online resources for quality and price comparisons

Consumer driven health care is an influential movement precisely because it has the power to change the face of health care within one's own family, while also bearing a positive force of change on the system as a whole. Competition may not be the whole answer to today's health care dilemmas, but it is a move in the right direction.



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