

much of the cost is covered by their health benefits. In other words, knowing the price of services is of little value without understanding the total cost of caring for the condition and the quality outcome of that care.

Providing reliable cost and quality information empowers consumer choice. Consumer empowerment motivates the entire system to provide better care for less money. Improvements may come slowly, but we all have a role to play. The best way for consumers to become more cost-conscious is to compare the price and quality of recommended services. This step should occur in advance of treatment.

For More Information

Engaged and empowered consumers can make an impact on health care costs. As an informed consumer, you are better equipped to make improved decisions regarding your care. And you can better understand the value of making healthy lifestyle choices.

For more information, visit *My Health Toolkit*™ at SouthCarolinaBlues.com. Or visit the Blue Cross and Blue Shield Association's consumer site at www.bcbs.com.

Research



*H*Health care is the largest sector of the U.S. economy, representing more than 16 percent of gross domestic product. In order to control these rising costs, we must first understand the true costs of health care.

Research

There is no debate that the high costs of health care impact each of us. Therefore, attempts to lower those costs should be a priority for all of us. Attempts to *control* costs should begin with *understanding* those costs.

Health Care Cost Transparency

We want the best when it comes to our health and the health of our loved ones. But are we willing to demand the best at any price? Americans spent about \$2.2 trillion in 2006 on health care, which is 16.5 percent of the entire gross domestic product (GDP). GDP is the main tool used to gauge the health of a country's economy. It represents the total dollar value of all goods and services produced by a nation. By 2015, health care costs are estimated to reach \$3.5 trillion, about 20 percent of the GDP.

These huge numbers are hard for many employees to understand — especially since many employees are shielded from their true health care costs by their company's group health benefits. But as employers face rising costs, they are shifting more expenses to their employees. Since costs are rising for all Americans, all of us have a vested interest in controlling costs.

We cannot solve all of this country's health care problems overnight. However, if we all work together, we can find ways to increase the quality of care while reducing costs. To make this happen, consumers need to know exactly how much their health care costs. "Cost transparency" occurs when consumers have access to the costs of care prior to receiving services. With new tools being offered, getting the information you need is becoming easier all the time.

Steps We're Taking to Help

A recent study conducted by an independent organization, Hewitt Associates, confirmed BlueCross BlueShield of South Carolina ranks number one in the state for Network

Discount Value. That means your BlueCross benefits are bringing you the best value for your health care dollars. We work hard to maintain the largest networks and negotiate the lowest costs for our members.

Keeping health care affordable for consumers is one of the biggest challenges this country faces today. Blue Cross and Blue Shield plans across the country believe educated consumers make better decisions. Along with BlueCross BlueShield of South Carolina and other Blue plans, the Blue Cross and Blue Shield Association (BCBSA) is strengthening the movement to greater transparency. We are providing increased detail about health care trends, quality, best practices and the cost of care.

BlueCross is committed to ensuring that patients receive the right care at the right time. We also want providers to have the information necessary to provide the right level of care for each patient. Accessing data on quality — and combining it with costs — can be the best way for consumers to team up with their doctors to make smart decisions.

Treatment Costs

BlueCross offers you access to health care costs through the online Treatment Cost Estimator. Simply log on to our Web site before you receive treatment. The online tool provides the following information based on geographic area:

- Range of episode length.
- Range of episode cost.
- Definitions of conditions and procedures.

Knowing this information in advance can help you make the best decision for your care. The online tool also helps

you prepare for the out-of-pocket expenses you can expect to pay. **Remember that in health care, the highest cost doesn't equal the highest quality.** This fact is important when you consider your choices on where to receive treatment. Consider a combination of cost, quality and your personal preferences and needs when making decisions.

Pharmacy Costs

BlueCross also makes available to you estimated costs of prescription drugs. The online tool allows you to compare the costs of generics, preferred drugs and non-preferred drugs. The tool also gives you access to a variety of other key information about prescription drugs. This information can help you during discussions with your doctor. Whether or not you have prescription drug coverage through BlueCross, you can access details including potential interactions with other drugs, side effects and much more.

From our Web site's home page, simply click on *Prescription Drug Information*. Members with drug coverage through BlueCross may access a wealth of additional information by logging in to the secure My Insurance ManagerSM tool and clicking on My Pharmacy ManagerSM. Available information includes locations of nearby in-network pharmacies and details on personal drug history and benefits.

The Importance of Proper Care

A key point to remember is that consumers should not use high costs as a reason not to receive preventive care or expensive but necessary treatments. Avoiding preventive or critical care just leads to higher costs down the road. These higher costs result from complications that could have been prevented if diagnosed or treated sooner.

In addition, cost should not be a deciding factor when emergency care is needed. Before an emergency occurs, check the details of your health benefits to find out where you should receive care during emergencies. Knowing this information in advance will help relieve stress during the actual emergency.



However, most medical services are not emergencies. With the right tools and information, consumers can work with their doctors to make the best decisions regarding their care. Seeking information about price and quality can lower costs and achieve better outcomes.

Each of us can work to improve the quality and affordability of care. Always find out why a test or treatment is needed and how it can help you. We should all work to prevent:

- Underuse of effective treatments and preventive measures.
- Overuse of unnecessary invasive treatments.
- Overuse of unnecessary and costly medications.
- Misuse of services; remember "more" is not always "better."

Consider More Than Just Cost

Simply knowing the cost of services in advance is not enough. Consumers must understand how that cost compares at various facilities, how it relates to quality, and how the total costs of treating the illness will add up. They also must understand how much they are responsible for paying, compared to how

understand the true costs
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