



FREQUENTLY ASKED QUESTIONS

About Right to Shop

What is Right to Shop?

Prices vary widely in health care. For example, the same x-ray on the same kind of machine in different locations can vary in price from a couple hundred dollars to thousands. Surgery by the same doctor but in different facilities can range from a few thousand dollars to tens of thousands. Which medical setting you park your car at for care matters.

Right to Shop empowers patients by rewarding them when they seek out high-value care. It is pro-patient as it lowers healthcare costs, improves patient care, contains out-of-pocket costs and increases patient access. Right to Shop patients gain transparency tools that pay them an incentive when they seek high-value care.

How does Right to Shop work?

1. A doctor recommends a medical service
2. Patients call or go on-line to find their best options
3. Patients choose the best location at the best value
4. Patients have their procedure at the location of their choice
5. Patients cash in on the shared savings

Will people really shop for health care?

The state of New Hampshire has operated an incentive-based program for roughly three years. So far, almost 90 percent of enrollees have shopped at least once, with 2 out of 3 shopping every year and receiving an incentive payment. Average savings have been around \$670 each time a service or procedure is shopped. The state has saved over \$12 million, and paid over \$1 million in incentives so far. National polling has found that 8 out of 10 patients want incentive-based programs like Right to Shop.

Why aren't insurers doing this now?

Some insurers are starting to offer tools similar to Right to Shop, but existing regulations scare off others out of a fear of making less money. Insurers operate under medical loss ratio (MLR) regulations that restrict administrative expenses and profits to a percent of premiums. The higher the health care costs, the more dollars that remain in the bank accounts of insurers. Some insurers are concerned that incentive payments would come out of their profit in the form of added administrative expenses. However, following consultation with federal officials one state Department of Insurance was informed that incentive payments would count as medical spending, and not be classified as an added administrative cost. Right to Shop finally opens the door for consumers to exercise their natural inclination to seek value when making health care purchases.



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What states have Right to Shop?

Incentive based programs exist in Kansas, Kentucky, Massachusetts, and New Hampshire. Many large companies have incentive based programs. Some insurers offer similar programs, with more being added every year, and some public employee programs have started to offer incentive-based shared savings programs for members.

Our state has passed some transparency laws, do we need Right to Shop?

Many states have passed transparency laws with most experiencing implementation that has resulted in few useful results for patients. A large national survey found that 98 percent of insurers report having transparency/ cost tools for their members, but only 2 percent of members had ever accessed the tool. Right to Shop combines transparency with incentives, which is not only unique, but proven. For years, large companies and state employee programs have verified that incentive-based programs like Right to Shop can successfully engage patients and lower health care costs. Incentives matter.