
To Shrink Medical Costs, Make Them Visible: SOA

By Editor Test Thu, Jul 15, 2010

Consumers feel they could make more informed decisions if they had more information on medical procedures and options for care, the SOA found.

With national healthcare spending expected to rise by hundreds of billions of dollars over the next 10 years, there needs to be a greater emphasis on finding ways to reduce healthcare cost trends. According to the findings from two recent surveys by the Society of Actuaries (SOA), actuaries and consumers both believe that more

Transparency within the U.S. healthcare system is the key to bending the cost curve downward. That's one of the major findings of two recent surveys of actuaries and consumers by the Society of Actuaries (SOA).

"Actuaries believe there needs to be more transparency between doctors and patients, while consumers feel they could make more informed decisions if they had more information on medical procedures and options for care," the SOA said in a release.

The survey of more than 600 members of the SOA's Health Section showed that:

- 86% recommend making prices for treatments more visible and available for patients. Additional findings include:
- 79% recommend educating consumers and providers on the efficacy of care.
- 80% recommend making quality of provider care more visible and available for patients.
- 90% believe that reducing the number and severity of medical errors will help bend the cost curve downward.
- 88% believe that combating fraud and abuse within the system can be at least somewhat effective at bending the cost curve downward.

The SOA also hosted an online survey of 1,000 Americans 18 years and older to understand what consumers believe would help them control their own healthcare costs. The survey found:

- 37% of American adults feel they could better control their own healthcare costs if healthcare providers—or their insurance company—told them about the costs of medical services and the quality of the outcome of procedures.
- 30% feel they could better control their healthcare costs if, before administering a medical procedure, their physician informed them about the costs of the procedure, the number of times he/she has performed the procedure, and its results.
- 39% of consumers felt however there was nothing they could do to control their individual healthcare costs.

- 33% of those surveyed believe they could make better decisions about their health if they know about their long-term health risks and what the outcomes of their behaviors would be.
- About 20% of respondents think that they could make better decisions about their health if they have access to a wellness program where they could get information on nutrition and exercise.

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