

Episode: *Author Interview: "If Patients Don't Use Available Health Service Pricing Information, Is Transparency Still Important?"*

Guest: Christopher Whaley, PhD

Host: Tim Hoff

Transcript by: Cheryl Green

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[bright theme music]

TIM HOFF: Welcome to another episode of the *Author Interview series* from the *American Medical Association Journal of Ethics*. I'm your host, Tim Hoff. This series provides an alternative format for accessing the interesting and important work being done by Journal contributors each month. Joining me on this episode is Dr Christopher Whaley, an economist with the RAND Corporation and a professor in the Frederick S Pardee RAND Graduate School in Santa Monica, California. He's here to discuss his article, coauthored with Dr Austin Frakt, *If Patients Don't Use Available Health Service Pricing Information, Is Transparency Still Important?*, in the November 2022 issue of the Journal, [How Much Will It Cost?](#) Dr Whaley, thank you so much for being on the podcast. [music fades out]

DR CHRISTOPHER WHALEY: Thank you for having me, and I'm really excited to talk about our paper.

HOFF: So, to begin with, what's the main ethics point that you and Dr Frakt are making in this article?

WHALEY: The main point is that we know that in the health care system in the United States, there's just a tremendous amount of variation in prices. One of the kind of initial tools that've been developed to help patients navigate a lot of these tools, this price variation, rather, has been price transparency tools. And so, this has typically been an online tool where the patient can say, "Look, I want to get an MRI, and this is how much it's going to cost me. And so, I can now be a smart shopper, just like in every other market." And so, that was kind of the hope of a lot of these price transparency tools. But as it turned out that health care's been famously said, it's complicated. And so, patients actually haven't really used these tools that much. And so, a lot of the hope that the price transparency tools would become this consumer-driven panacea of the health care system, frankly, it hasn't really worked out or shown to be that true. And so, in some sense, that's actually led to maybe a little bit of a backlash in price transparency. And there've been some calls that, look, price transparency just isn't going to work at all.

And so, what we are arguing in the paper is that, well, maybe we need to think about more of kind of an ethical standpoint on prices and price transparency. And so, even if the majority of consumers aren't using this type of information, there certainly are some who actually are using it to be informed consumers. And so, for those types of patients and those informed consumers that this type of information is actually pretty valuable.

And also, more broadly, it's also maybe important just to have the option of these tools. And so, if this type of price information is out there and people aren't using it, then maybe that's a conscious decision by patients in the health care system. But it's still something that should probably be out there in case patients do want to use this type of information.

And then we also make a broader point, too, that maybe the actual use of these tools maybe isn't necessarily by patients. And it's maybe a little bit too much to expect that patients when they're making a very difficult medical decision, will be say, going to their online tool and trying to figure out what's the best deal. But maybe the kind of real user of this type of price information is actually employers and other insurance companies who are trying to actually negotiate prices and actually using this information to inform pricing decisions that are actually upstream of when the patient's actually getting care.

HOFF: Hmm. And so, what is the most important thing for health professions students and trainees to take from this article?

WHALEY: I think the most important thing for trainees and those in the health care system is just to recognize the magnitude of price variation for many common services. And so, if you're a physician, maybe you don't necessarily know the prices for everything that either you or the providers that you refer your patients to charge, but that is impacting your patients. And so, there's maybe also a financial responsibility or kind of an ethical responsibility of providers and physicians to acknowledge that many of these extreme pricing decisions or pricing behaviors have financial impacts on their patients and to consider that type of information when they're actually making a referral or their own pricing decisions.

HOFF: And finally, if you could add a point to this article that you didn't have the time or space to fully explore, what would that be?

WHALEY: One thing we touch on a little bit in the paper is that this is maybe an infancy phase for price transparency in the US health care system, and so, maybe it's actually natural that a lot of these questions aren't fully fleshed out. And maybe part of the evolution of price transparency in the health care system is really just a kind of changing the norms in how health care is consumed and delivered by providers. And so, maybe we'll kind of look back in a couple years and say, "Look, this was a time when we're just really figuring out how to use price transparency information and how we can best inform purchasing and other benefit design type decisions." [theme music returns] And then in a few years, maybe once those questions have solidified a little bit, we'll actually see some of the real impacts of price transparency.

HOFF: Dr Whaley, thank you so much for your time on the podcast today. And thanks to you and Dr Frakt for your contribution to the Journal this month.

WHALEY: Thank you for having me.

HOFF: To read the full article as well as the rest of the November 2022 issue for free, visit our site, [JournalofEthics.org](https://www.journalofethics.org). We'll be back soon with more *Ethics Talk* from the *American Medical Association Journal of Ethics*.