



Bipartisan “Right to Shop” Brings Transparency Back to Health Care

By Josh Archambault, Jared Meyer, and Joel Allumbaugh | December 18, 2017

Maine’s Cost-Saving Solution has Potential to Change Health Care for the Nation

Twenty years ago, people bought cars after weeks of in-person haggling. Today, the entire deal can be made online. Ten years ago, dinner restaurants were selected by what the outside of the building looked like. Today, few select a restaurant before consulting internet reviews. Technology has made information more readily available than ever before—and with information comes choice.

Consumers enjoy choice in most every aspect of their lives—from gas prices to the cost of groceries. Yet most Americans are forced to cede control of the most important aspect of their lives: their health.

The reason? Lack of information. Lack of transparency. Lack of positive incentives for both patients and providers.

But there may be hope on the horizon for health care consumers. One state recently passed a simple yet thoughtful law that restores patient rights and makes health care shopping worthwhile. It’s called Right to Shop.

Right to Shop starts by acknowledging that not all transparency is created equal, that positive incentives can in fact change patient behavior, and that where you park your car can often affect your bill by tens of thousands of dollars.

Right to Shop seeks to lower costs so that individuals aren’t forced to make the decision between a medical procedure and other family bills.



Here's how:

- **The Right to Save:** Patients share in savings if they shop for a high-value provider (i.e. high-quality, lower-cost)
- **The Right to Know:** Patients can find out the estimated price ahead of time from their insurance plan and compare providers to find one that works for them
- **The Right to Pick:** Patients' access to high-value providers is protected—whether the providers are in- or out-of-network

According to multiple claims analyses from MMS Analytics, shopping just the top 100 healthcare procedures locally in one state could have saved 55 percent. Of the roughly 30-plus percent of health care spending that is easily shoppable, national estimates put savings at upwards of \$850 billion per year nationally, with no change to the amount of care patients are receiving.

As lawmakers in Washington, D.C. struggle to find a path forward on health care reform, Maine quietly passed their own bipartisan version of Right to Shop.

The new law was signed June of 2017 with unanimous bipartisan support. The three reinforcing provisions of the new law are:

- **Maine's Right to Save:** Direct rewards (cash, gift cards, reduction in premiums, and more) will be built into all insurance plans in the state for individuals with small business health savings accounts (HSAs) who choose high-value providers. These insurance plans account for a sizable majority of the market in Maine, according to the Bureau of Insurance.
- **Maine's Right to Know:** Patients will know how much money their insurance plan will pay each potential health care provider so they can make informed decisions and comparison shop.
- **Maine's Right to Pick:** Patients who find out-of-network providers with lower costs than average in-network options can access these higher-value options without penalty or extra rules.

Maine's Right to Shop may be a snapshot into the future of health care.

It should be noted that, during the legislative process, additional guardrails were added to Maine's bill that will limit the savings potential for patients. For example, Maine residents are only guaranteed access to high-value out-of-network providers in three New England states, if



requires providers to accept Medicaid and Medicare to be eligible for the provision, and currently the incentive program does not apply to the individual market. But overall, the new law is an intriguing step toward developing a more patient-centered health care system.

An early development for patients in Maine is that shortly after the bill became law, insurers started to advertise new plans for 2018 that rewarded patients for shopping, a year ahead of the 2019 deadline in the new law.

Maine's Right to Shop may help to deflate the myth that high-quality care must be expensive by proving that with increased transparency, consumer choice, and smart incentives, patients can have the care they choose at an affordable cost.

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