

Frequently Asked Questions Treatment Cost Estimator

Overview

What is the Treatment Cost Estimator?

Our transparency efforts are intended to provide Regence members with access to health information across multiple dimensions of value (e.g., cost, quality, patient experience) so they can choose their physicians, dentists, other health care professionals and facilities based on the attributes most important to them. There are two features within the Treatment Cost Estimator – accessing the network average cost and accessing the member out-of-pocket cost estimates. These features are available to our Regence members (excluding Regence MedAdvantage and Federal Employee Program members).

Is Regence the first organization to provide this type of tool?

Regence is not the first entity or insurer to make cost information available online. Other health insurers such as Aetna, Anthem, CIGNA, Humana, Providence and United Healthcare have launched similar tools.

Will Regence use this information in network development activities?

No. We do not have plans to use this information for any purpose other than as an informational resource for our members.

Is Regence attempting to dispense treatment/medical advice through the Treatment Cost Estimator?

The Treatment Cost Estimator should be used for informational purposes only and is not intended to be a substitute for the medical or dental advice of a physician, dentist or other health care professional.

Does Regence intend to release any quality information? If so, when?

The Treatment Cost Estimator feature is one of several online decision support tools Regence has made available to our members. As part of our Transparency efforts, Regence is committed to providing meaningful quality information. We made a decision to pursue a strategy of supporting the efforts of collaboratives such as Oregon's Quality Corporation (QCORP) and the Puget Sound Health Alliance (PSHA) to make quality measures available on a community basis.

In addition, quality recognitions from third party sources will be available on myRegence.com in the third quarter 2010, with additional information on provider quality to be added in the future.

What if I have questions about the Treatment Cost Estimator feature?

If you have questions about the Treatment Cost Estimator feature or the Member Out-of-Pocket Cost Estimator on Provider Center, please contact your provider consultant or dental services representative. Phone numbers and email addresses are available in the [Contact Us](#) section of our *Provider Web Site* at www.or.regence.com/provider.

Treatment Cost Estimator – Network average cost feature

The Treatment Cost Estimator gives Regence members the ability to access network average cost on a range of conditions for budgeting and treatment planning purposes.

The Treatment Cost Estimator network average cost feature provides information to assist members with:

- Creating a health care budget
- Comparing and contrasting costs among different facets of a procedure
- Building a knowledge base that enables improved dialogue with their provider

How did Regence calculate the network average cost information?

To determine network average cost, Regence looked at geographic regions. More than 20% of Regence members reside in geographic areas which do not correspond to Metropolitan Statistical Areas (MSAs). Therefore, Regence chose to use Hospital Referral Regions (HRRs) to calculate network average cost. The HRRs were developed by Dartmouth Atlas and map regions by ZIP code to the areas where residents would most likely receive care. The HRR is preferred to using statewide averages because it more accurately reflects differentiation between geographic regions.

The range of costs for each condition is based on episode data. For services that are not episode-based, such as routine exams, the range is determined by varying the number of services provided. A “low” and “high” bundle of services are identified to calculate the low and high ends of the range.

How did Regence calculate the estimated personal cost for treatments that appear on the Treatment Cost Estimator?

The personal cost estimate is based on the major components of the member’s insurance plan; these components include his or her individual and family deductibles, in-network coinsurance and the individual and family out-of-pocket maximums. If the member has restrictions in his or her benefit plan, the restrictions may cause the actual personal cost to differ from the personal cost estimate.

How current is the network average cost data?

The network average cost data is based on claims experience from the most recent available three months of data. The data used to determine the length of treatment, what services are commonly provided within a treatment, and how often services within a treatment are provided, is derived from the most recent available two years of episode data.

How often will this data be updated?

The network average cost data will be updated on a quarterly basis and the episode data will be updated annually.

How is the Treatment Cost Estimator organized?

Treatment

Services are shown as they relate to a treatment; services are organized in stages, service level categories and service code categories.

Stages

Some treatments can be organized into stages (e.g., Evaluation, Surgery and Follow-up). Each stage is organized into one or more service levels.

Service Level

Service levels group services into the following major categories:

- Tests
- Facility
- Imaging
- Procedures
- Therapy Services
- Prescription Drugs
- Durable Medical Equipment
- Consultation & Management
- Other

Service Code Categories

Current Procedural Terminology (CPT[®]) and Health Care Procedure Coding System (HCPCS) codes for professional services, Diagnosis Related Groups (DRGs) for inpatient hospital services, and National Drug Codes (NDCs) for prescription drugs that are similar in cost and function are grouped into service code categories with easy-to-understand descriptions.

Is Regence suggesting that patients use outpatient surgical centers instead of hospitals?

The Treatment Cost Estimator feature is not intended to be a substitute for the medical advice of a physician, dentist or other health care professional or for the patient/provider discussion that should occur in evaluating treatment options. The Treatment Cost Estimator results may indicate that an outpatient surgical center is less costly than other options. However the place of treatment is a decision made by the provider with the patient. We encourage members to discuss the option that is best for them with their providers.

Treatment Cost Estimator – Member out-of-pocket cost estimator feature

The Treatment Cost Estimator gives Regence members (excluding Regence MedAdvantage and Federal Employee Program members) the ability to view an estimate of their out-of-pocket expenses for select procedures and services.

Members can view estimates on myRegence.com for the most common procedures or services within the following areas:

- Office visits
- Immunizations
- Therapy services
- Normal, vaginal delivery
- Digestive system endoscopy
- Diagnostic radiology and imaging
- Orthopedic-musculoskeletal surgery
- Diagnostic pathology and laboratory procedures

After choosing a provider and the procedure or service he or she wishes to receive, the feature uses the member's specific benefits to calculate an estimate of his or her out-of-pocket expense. In addition, as part of their individual cost estimate, members will have access to information about their deductible, their accumulators (i.e., the amount of deductible met by processed claims), cost share information (including coinsurance and/or copayments) and out-of-pocket maximums.

How did Regence calculate the estimated member-out-of-pocket cost information?

The member out-of-pocket expense estimate is based on the major components of the member's insurance plan; these components include his or her copayments, deductibles, coinsurance and out-of-pocket maximums.

When members use the Treatment Cost Estimator, their estimated out-of-pocket expense is tied to their accumulators. Accumulators are used to track the availability of the member's benefits. If a member revisits the feature at a later date and has had a change in accumulators, this could cause his or her estimated personal cost to change.

For non-participating providers, members have the ability to enter in the billed amount for the service. When the billed amount is higher than the maximum allowable for the service, the formula will add this difference to the out-of-pocket estimate.

How were the various medical conditions, procedures and services selected?

Our goal was to make this feature as valuable as possible for the broadest number of members. In deciding which medical and dental conditions to use for network average cost, we looked at the volume of claims for the condition in our claims system, as well as the number of "hits" we received on the individual condition or topic area on our member Web site, myRegence.com.

To determine which individual services would be included under the various categories, Regence looked at the prior year's claims history to determine the most common procedures within each of the categories. This data will be determined on an annual basis.

Accessing Member Out-of-Pocket Cost Information through Provider Center

What is the Member Out-of-Pocket Cost Estimator on the Provider Center?

The Member Out-of-Pocket Cost Estimator on the Provider Center enables physicians, dentists and other health care professionals to see the information presented about them or their practice to members through the Treatment Cost Estimator on myRegence.com. In addition, you can use the Member Out-of-Pocket Cost Estimator to assist you in addressing member questions about the cost of their care and/or their out-of-pocket expense for a particular service or procedure.

How do I sign up for Provider Center so I can access the Member Out-of-Pocket Cost Estimator?

Providers can access the Member Out-of-Pocket Cost Estimator through the Provider Center. If you have not yet registered for the Provider Center, we strongly encourage you to do so. To find out how you can register for this free Web-based tool, please refer to the [Provider Center](#) on our *Provider Web Site* at www.or.regence.com/provider.

How can I get an estimate of a specific member's out-of-pocket cost?

Once you have logged into the Provider Center, click on the "Search for a Member" link in the left menu and search for the member's name for whom you wish to get an out-of-pocket expense estimate. Once you've selected the member's name, click the "Cost Estimator" link beneath the member's benefit description.

A screen will surface with two drop-down menus and an “Enter Billing Amount” field. The first menu alphabetically lists all the providers contained within your Organization Access ID (OAID). Select the appropriate provider. You can also begin to type the provider’s last name directly into the drop-down box and the tool will automatically narrow the search results for you.

What types of procedures and services can I get an estimate for?

Next, select the treatment or procedure code for the recommended service. Similar to the member view, providers are able to view estimates for the five most common treatments or procedures within the following categories:

- Office visits
- Immunizations
- Normal, vaginal delivery
- Digestive system endoscopy
- Diagnostic radiology and imaging
- Orthopedic-musculoskeletal surgery
- Diagnostic pathology and laboratory procedures

Lastly, you will need to select whether you are getting an estimate for an in-network or out-of-network provider. If you are a participating provider, simply select that option and then hit the “Submit” button at the bottom of the screen. You do not need to enter anything into the “Enter Billed Amount” field. If you are a non-participating provider you will need to enter a billed amount for the selected service/procedure into the field. Once you’ve completed this field, hit the “Submit” button.

After choosing a provider, the recommended treatment or procedure and completing the billing amount field, if appropriate, the feature will use the member’s specific benefits to calculate an estimate of his or her out-of-pocket expense. In addition, as part of the member out-of-pocket cost estimate, you and the member will also have access to information about his or her deductible, accumulators (i.e., the amount of deductible met by processed claims), cost share information (including coinsurance and/or copayments) and out-of-pocket maximums.

Note: Member out-of-pocket expense estimates are simply that – estimates. Members are informed that these estimates may not reflect all of the charges related to a treatment or procedure.