

Medarva posting partial surgery center prices online

BY TAMMIE SMITH Richmond Times-Dispatch | Posted: Wednesday, January 15, 2014 12:00 am

Medarva Stony Point Surgery Center is for the first time posting partial prices online for some common procedures done at its facility, hoping people use the information to shop around when needing outpatient surgery.

The prices include the facility fee but not the anesthesia or doctor's fees — so the total cost for a procedure is not shown.

Still, it's a step toward giving people an idea of costs for services, so-called medical transparency, but at least one competitor calls it a marketing tool.

"I think that people need to understand there are alternatives to the traditional acute care hospitals that are very viable," said Bruce P. Kupper, president and CEO of Medarva Healthcare, which is the parent company of Stony Point Surgery Center.

"I think we also need to start changing the discussion. Instead of focusing on cost, we need to start talking about value. What is the appropriate payment for quality of care?"

People can go to the surgery center website at www.stonypointsc.com and see facility costs for dozens of procedures, including male sterilization (\$1,187), removal of ovarian cysts (\$1,214), groin hernia repair (\$1,458), tightening of lower eyelids (\$876), and placement of a device to reduce urinary incontinence (\$8,088).

A disclaimer explains that the posted prices assume an uncomplicated procedure. In addition, anesthesia, pathology, surgical professional fees, implants, hardware or devices are not included in the posted fees.

"At first glance, I think this is an important step in health care pricing transparency for health care providers, and we welcome this openness," said Michael T. Lundberg, executive director of Virginia Health Information.

"I think Stony Point Surgery Center did a great job of indicating what the information reflects (facility fees) and what it does not," Lundberg said.

Virginia Health Information, a private agency that has state contracts to collect and report health care data, publishes a Health Care Prices report online. The report at www.vhi.org shows average insurance company reimbursements for about 30 commonly done outpatient medical procedures.

The VHI report does not show reimbursements for individual facilities, but it does allow comparisons based on whether the procedure is done in a doctor's office, surgery center or hospital outpatient department.

"If you don't have insurance, it can be very helpful to get an idea of what you may pay," Lundberg said.

“If it’s going to be a high-cost procedure, it’s important to get an idea of what your co-pay may be. If you have a high-deductible health plan, knowing the potential cost would give you the ability to shop around,” he said.

The VHI data are based on information provided by nine insurance carriers, Lundberg said. Not every insurance company submitted information for every procedure, but, for every procedure listed, at least four companies provided data.

The VHI figures are statewide averages. The report is being expanded to include much more data and with the ability to see averages by region.

Any particular procedure is generally less expensive when done in a doctor’s office, compared with an ambulatory surgery center and a hospital outpatient department, the latter usually being the most expensive setting, the report typically shows. Not all procedures can be performed in all three settings.

Among regional competitors, the VCU Medical Center currently has no plans to “advertise the cost of procedures as a marketing tool,” said Anne Buckley, senior director of Virginia Commonwealth University public affairs.

“A host of factors influences the cost of a procedure, and it is not always feasible to set a predetermined price. We recognize the unique needs of each of our patients and understand that their needs vary greatly,” Buckley wrote.

Representatives from HCA Virginia and Bon Secours Richmond Health System did not respond for comment on any plans to post their prices for outpatient procedures.

Medarva’s Kupper said Stony Point is not the first surgery center to post prices.

“At the national level, there are articles being written about surgery centers publishing their rates and encouraging free-standing centers to do so,” he said. “I think ambulatory surgery centers have a story to be told that is getting lost.”

Physician-owned Surgery Center of Oklahoma posts all-inclusive procedure prices on its website at www.surgerycenterok.com/pricing and has drawn national attention for doing so.

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