



The price is ... confusing

By Chris Hayhurst | November 3, 2016

Many healthcare leaders have raised concerns about the rising cost of care and the absence of price transparency. Few have addressed them through the lens of the modern game show.

But for two days last October, Adam Berkwitt, M.D., a Connecticut pediatric hospitalist at Yale-New Haven Children's Hospital, did his best imitation of Bob Barker-meets-Drew Carey as host of a game he calls "Dr. Plinko."

"It's similar to 'The Price Is Right,'" says Berkwitt, who introduced his creation at an annual New Haven arts festival that this year featured numerous game-themed exhibitions. But instead of guessing the prices of consumer goods such as toasters, he says, "the contestants had to guess the prices of medications and medical products."

From his "studio audience" of festival attendees, Berkwitt says, he called up contestants with a "Come on down!" Onstage, each participant picked a card out of a bag "to determine if they were insured or uninsured." To reflect the national uninsured rate of about 10 percent, there was a one-in-ten chance of being uninsured.

Then the guessing game began. How much, for instance, would a particular bottle of medicine cost at a store? And what would a hospital charge for the same thing?

All contestants earned at least one plastic chip, while those who guessed correctly could earn up to two more. Once they were done guessing, they'd proceed to Berkwitt's "Plinko" board, which resembled the popular game of chance on the "Price Is Right" television show.

Participants dropped their chips from the top of the board, then watched them "plink" down all the way to the bottom to land in a slot that determined their fate.

"So maybe you'd land in 'Good Health,'" Berkwitt says, "or maybe you'd end up with a certain disease. And then based on your insurance status from the beginning, you'd get a bill for what you'd owe" for healthcare for that condition.

An uninsured individual might owe around \$125,000, Berkwitt notes, while people with insurance would have to pay far less, because they'd hit their out-of-pocket maximums very quickly.

“It’s complicated”

In the end, Berkitt says, his performance art was designed to “raise awareness about the lack of price transparency” in the healthcare industry.

“I think a lot of people were surprised by what they found – not only when it came to the disparity between prices, but also in terms of how expensive medicine is,” he says.

He studied economics before he went to medical school, he notes, and even he “can’t quite figure out where hospital prices come from, or where a dollar in healthcare actually goes.”

“It’s complicated,” agrees Amitabh Chandra, a healthcare economist and director of health policy research at the Harvard Kennedy School of Government. “And the biggest issue,” at least when it comes to hospitals, “is they almost never know their underlying cost structure.”

For example, Chandra says, consider a typical coronary angioplasty. “Do they know what it costs to put one more stent into a patient? They may know the cost of the stent. They may know how much they paid the surgeon. But they don’t really know what it cost to use the operating room, or what it cost to use the ancillary facilities like imaging.”

A hospital might know how much it can bill for a procedure, he says, “but that’s very different than what it may cost.”

Which is “extremely unfortunate,” Chandra adds, “because when providers don’t know what their costs are, that just results in higher prices to consumers.”

Making an impact

Berkwitt, for his part, says he didn’t want to “point any fingers” during his weekend as Dr. Plinko. “I wasn’t trying to assign blame,” he says.

On the other hand, he notes, he did his best to make his game fun – a “different way to look at a difficult topic.”

He tried to drive that difficulty home, Berkwitt adds, by giving his contestants medical bracelets on which he wrote what they’d “owe” every month. A bill for \$125,000, he notes, would have a lasting effect.

“I wanted them to get a sense of what that burden would be like,” Berkwitt says, “and of the serious impact that might have on their life.”

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