Can Consumers Help Reduce Rising Costs of Medical Technology?

written by Theresa Hush | May 25, 2017

In years to come, the current health care financial scene may seem like the “good old days” of health care for middle class

Americans. Despite escalating consumer costs, proposed cuts in coverage, and an ever-rising cost of care, most Americans can still access health care services. They believe health care will be there for them, even if not everyone can get it.

But the affordability of health care, regardless of coverage source, will soon be everyone's problem. Medicare is projected to run out of money in only 10 years (some say less), and each year the cost of health care goes up 7 percent or more. Small companies say they will drop coverage, and large ones are looking for ways to cap benefits and costs.

The real kicker is that our health care costs exceed those in other countries, but fail to produce better benefits for our health, despite—and, in fact, because of—medical technology. Repeated examinations of annual increases in U.S. health care costs highlight that new or improved medical technology accounts for at least half of the total, or more.

Current health care reform agendas are premised on empowering consumers to use health care more responsibly. With medical technology a major driver of total costs, the reform proposals implicitly blame consumers for overusing those resources. Is that possible? And if so, what role can consumers realistically play in stemming these costs?

The Supply of Medical Technology is Created by Providers, but Consumers Pay

Medical technology includes any new or improved surgical, medical or diagnostic technique; advances in diagnostic equipment; new drugs; and even technology purchased by providers to improve care. Your electronic medical record, for

example? Medical technology.

The supply and availability of medical technology is clearly not within control of consumers, even though consumers will be paying a larger share of that expense along with other health care costs. Medical technology is solely the realm of companies and health care providers who invent, acquire or use these new procedures and agents. This year when I went for my mammogram, the technician told me that the images were being taken with a new 3D machine. I definitely did not order that machine, but I did wonder if its super sensitivity might lead to a second diagnostic test I didn't need.

Consumers May Drive the Need for Technology, but Will Millennials Be Different?

Health care marketing—especially by drug companies—has refocused marketing strategies away from providers and toward consumers. Messaging emphasizes having the best doctors, the best facilities, the latest new technologies, the most targeted and effective drugs. Providers are competing in busy markets, and they encourage patients to distinguish between health systems as much by access to the best and most innovative technology as by the presence of caring health providers. There is a logic to this strategy: Consumers do compare notes; anecdotal comparisons are still the primary method of gathering information about system value.

At least a subset of consumers is advanced enough to research and request diagnostic investigation of symptoms. It has become so commonplace to get CT scans and MRIs that most patients would question why they did not get one for a knee or shoulder injury, and wonder about the quality of the physician who

failed to order the diagnostic. To some extent, their preference for high tech systems drives that expense further, but only indirectly.

More significantly, consumers have been taught—incorrectly—that medicine can always provide answers and relief. Some individuals may want to pursue open questions of their genetics, various symptoms, or physical attributes that are causing health issues. Or they may want to simply eliminate pain or dysfunction and are uninformed about the prospect of total relief, then submit to surgical interventions or drugs that have insufficient results. Thus they pursue an expensive path using emerging technology.

Because consumers are almost always entirely unaware of the efficacy of different diagnostic tests, only when cost information is shared—or the clinician poses alternatives—does the question of value of various technologies associated with the patient's outcome typically emerge as a discussion item.

However, demographics may help to change this dynamic, along with cost sharing incentives. Millennials, for example, tend to believe more in technology, but are also more cost conscious and value communication. As Millennials and Gen-Xers become a larger part of the health care consumer base, these digital natives will be more focused on results and cost-based decisions, and less likely to follow the advice of authority figures (i.e. physicians). The national economics and cultural changes are perfectly aligned to support the balanced provider/consumer decision-making required to achieve better value.

How Consumers Can Question Wise Use of Medical Technology

Health care today is relatively bountiful for most Americans. Consumers and providers alike have been insulated by the existence of rising health care costs by insurance and payment systems. Providers have had the luxury of pursuing an investigation of diagnostics and curating skills for treatment. Consumers have faced no impact by going down the same track. Providers, in turn, can satisfy the desire for diagnostic certainty and precision.

Health care reform proposals, along with consumer cost sharing and the loss of coverage altogether, will change that scenario dramatically. And it should. Imaging, pharmaceuticals, and medical and surgical techniques bring both progress and unexpected harm to patients. There are long term effects of radiation, secondary cancers, side effects, and functionality outcomes associated with most diagnostic technology, drugs and treatments.

Consumers should ask these seven questions:

- What is the goal of the diagnostic test/medical or drug treatment/surgery?
- What difference will this diagnostic make to the treatment decision or results, as a percentage of success?
- Is there literature that you can share with me about the effectiveness and value of this course of action?
- What are the alternatives to the test or treatment, and how do they differ in effectiveness as well as harms?
- What is the cost?
- What happens if I don’t go ahead with this?

> If I have to pay for this out of my own pocket, how would that change what you do?

Providers Should Prepare Consumers for Technology Decision-Making

Clinicians must do a better job of helping consumers through a decision-making process involving diagnostic tests and various treatment modalities. Older consumers, used to placing unquestioning trust in their providers, may not have the understanding, or even the desire, to make clinical decisions. But as with any major financial decision they face, these consumers can learn how to make value-driven decisions and understand health care consequences. And behind them, the Gen-Xers and Millennials will push for cost-conscious decisions and providers that will work with them to achieve their broader vision of better health.

The era of limitless health care is coming to an end. Physicians and other clinicians will be measured on how well they deliver value in their health care services, and this will require explaining that value to patients to reach the optimal decision.

Founded as ICLOPS in 2002, Roji Health Intelligence guides health care systems, providers and patients on the path to better health through Solutions that help providers improve their value and succeed in Risk. Roji Health Intelligence is a CMS Qualified Clinical Data Registry.

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