

CASE EXAMPLE

Addressing Health Care Costs with Patients: A Clinician Perspective (Caroline Sloan, M.D., M.P.H.)

Core Problem: How can clinicians address costs of care with their patients?

Background

Dr. Caroline Sloan is a general internist with the Duke University Hospital system. She works in primary care at the Duke Outpatient Clinic, with a focus on vulnerable populations and patients with multiple chronic conditions. She is also a researcher, studying financial barriers to care and the role of costs in medical decision-making.

In both her clinical work and her research, Dr. Sloan has focused on the use of real-time prescription benefit tools for lowering patients’ medication costs and improving adherence. These tools are designed to be integrated into electronic health records (EHRs) so that clinicians can view estimated out-of-pocket medication costs, along with any lower-cost alternatives. While the tools address medication costs specifically, Dr. Sloan emphasizes the value of leveraging these tools to help initiate cost-of-care conversations with patients more broadly.

After providing a brief overview of real-time prescription benefit tools below, this case example explores how Dr. Sloan addresses the costs of care with her patients by: 1) estimating out-of-pocket costs, including but not limited to the use of real-time prescription benefit tools, and 2) finding ways to lower out-of-pocket costs.

Starting in 2021, Medicare Part D plans were required to provide out-of-pocket medication cost estimates via a real-time prescription benefit tool that could be integrated into an EHR prescribing system. Many EHR vendors already have these tools, but starting in 2028, all EHRs will be required to include one in their base product. While health systems are not required to turn on the tools, about two-thirds have done so. These tools are not limited to Medicare Part D enrollees, as commercial insurers are also opting to deploy these tools. Dr. Sloan mentioned that at her institution, about 90 percent of all prescriptions have real-time prescription benefit data. While she finds the estimated costs to be very helpful, she also cautions that the tools are not 100 percent accurate, and there is room for improving the quality of the data.

As clinicians in other settings explore how best to address health care costs with their own patients, it is important to consider the contextual factors surrounding Dr. Sloan’s work. See **Table 7** below.

Table 7. Contextual Factors Surrounding Dr. Sloan’s Approach

Contextual Factor	Description
Clinician Background	Practicing clinician and researcher with a focus on addressing patient health care costs with in-depth knowledge of real-time prescription benefit tools
Care Delivery Setting	Outpatient primary care clinic that is part of a large academic health system
Access to Cost Estimates	Health system adoption and optimization of clinician-facing real-time prescription benefit tool; patient portal with estimated costs for other health system services
Patient Population	Adults with chronic disease and acute medical needs; more than half enrolled in Medicaid alone, almost 30 percent enrolled in Medicare alone or dually enrolled in Medicare/Medicaid, more than 10 percent enrolled in commercial insurance, and 2 percent uninsured

The following sequence outlines one strategy for raising the issue of health care costs with patients, regardless of clinicians' setting, workflows, patient populations or their out-of-pocket costs. Note that not all clinicians have access to real-time prescription benefit tools in their EHR, and not all patients have access to estimated costs for health care services in their patient portal. In cases where a health system is not employing these tools, clinicians can advocate for their adoption with health system leadership.

Table 8. Snapshot of Dr. Sloan's Strategy for Addressing Costs of Care

Recognizing a Gap in Information on Medication Costs	When Dr. Sloan first started working at an outpatient clinic with vulnerable populations experiencing chronic conditions, she found that concerns about costs of care often limited her ability to provide up-to-date, evidence-based care. This led her to learn about approaches to estimating and lowering out-of-pocket costs in real time, during the clinic visit.
Workflow Step 1: Exploring Lower Cost Medication Options	Part 1: When ordering a prescription during a patient visit, Dr. Sloan uses her EHR's real-time prescription benefit tool to find out the cost of the medication she wants to prescribe and to see what lower cost medication options might be available. She then discusses the options with her patient. Part 2: If none of the options are affordable, she explores other low-cost sources with the patient, such as coupons or direct to consumer pharmacies.
Workflow Step 2: Estimating Costs of Other Health Services	If she is prescribing other services, such as labs or imaging, she asks patients to look up their estimated costs, which are available in the patient portal to help inform the course of care delivery.
Workflow Step 3: Considering Non-Medical Costs	Dr. Sloan also considers other related costs that patients may be concerned about, such as transportation, which she considers when ordering services or consultations.
Learning and Refinement	Dr. Sloan recognizes that none of this is perfect, and she doesn't always have complete information, but she keeps cost issues top of mind as she meets with her patients to help them save money where they can—and she says her relationships with her patients are better for it.

Recognizing a Gap in Information on Medication Costs

Dr. Sloan was first exposed to issues of medication costs when she was a resident at the Duke Outpatient Clinic. Many of the clinic's patients were on Medicaid or Medicare and faced financial barriers related to their care. When prescribing diabetes medications for her patients, she was struck by how few options she could consider—namely metformin or insulin. By contrast, her colleagues working at other clinics with patients who had employer-sponsored insurance could prescribe newer drugs. Meanwhile, she did not even know the cost of other diabetes medications or if they would be covered.

Around that time, real-time prescription benefit tools were being developed and adopted, and Dr. Sloan started studying them in her research. She thought if clinicians could figure out how much medications cost, they could talk to their patients and decide together what the best medication for the patient would be, taking into consideration both clinical and financial aspects.

Noting that clinicians are not really taught how to talk about costs with their patients, Dr. Sloan underscores that real-time prescription benefit tools provide a seamless entry into that conversation. She also pointed to guides put out by the American College of Physicians in 2019 on cost conversations, while acknowledging the need for more resources in this area.

WORKFLOW STEP 1: EXPLORING LOWER COST MEDICATION OPTIONS

Part 1: Using the Real-Time Prescription Benefit Tool

When Dr. Sloan is prescribing a medication for a patient during a visit, she will enter the medication into the EHR and see what the estimated out-of-pocket cost is for the medication at the patient's preferred pharmacy, along with other less expensive options that may be available. These options might include:

- Same medication available for a lower cost at another pharmacy
- Same medication in a different quantity at the same pharmacy
- Alternative medications at the same pharmacy

She uses the information on her screen as a conversation starter about costs. Turning the screen to the patient, she shows them the cost of the medication and asks if that is affordable or not. Sometimes patients say, "Yes, that's okay," and sometimes they say, "No, that's too expensive, can we find something else?"

Using the tool jumpstarts that conversation, which might otherwise be difficult to have, as it can be harder to generally ask if a patient is having trouble affording their medications.

Real-time prescription benefit tools exemplify how price transparency can be translated in a practical and understandable way for patients. Because the tool interacts in real-time with an insurer, it provides out-of-pocket cost estimates, which is what clinicians and patients need to make informed decisions. To be useful, price transparency must rely on communication across the health system, insurer, clinician, and patient, which is complicated, but these real-time prescription benefit tools are showing that it is possible.

Configuration and Usage of Real-Time Prescription Benefit Tools

Health systems can configure these tools to be either:

- User-directed: Clinicians must click on a button to see the cost estimates
- Automatic display: Cost estimates pop up automatically if there is a potential for savings for the patient

Dr. Sloan explained that her institution originally had a user-directed format to avoid alert fatigue among clinicians and required clinicians to click on the tool to see the costs. While she regularly accessed the tool because it was related to her research, the tool was not widely utilized across the health system. Given this underutilization, the tool was modified to show an automatic pop-up whenever a clinician enters a prescription where there are a few dollars or more in potential savings.

Many more clinicians at the health system now know about the tool, although they still may not use it. Dr. Sloan does not recall any formal training on the tool, aside from possible email guidance. However, she indicated that the tool is easy to use. A clinician only has to look at the displayed costs with the patient and decide if they want to select another option.

Friction Points

As of 2022, about one-third of health systems had not adopted a real-time prescription benefit tool. Among systems that have adopted the tool, clinicians may not know it exists if the configuration is user-directed. Even when the tool is configured for automatic display, clinicians may disregard it from a lack of familiarity or trust.

Health systems are challenged with figuring out the appropriate balance between providing easy access to information about lower-cost medications versus risking alert fatigue among clinicians. There is also no set standard or best practice for the appropriate threshold in savings to trigger an automatic display—\$5, \$100, or no threshold at all?

Importantly, the tool is not always perfectly accurate, so additional work is needed to make these tools more trustworthy. In the meantime, Dr. Sloan believes the tools can offer valuable guidance and, at a minimum, start a conversation regarding costs. Broader education on the tool would help clinicians better understand the tool and how to use it in conversations with their patients.

Part 2 (if needed): Exploring Other Low-Cost Medication Options

If the real-time prescription benefit tool does not offer any appropriate lower-cost medication options, Dr. Sloan will look for other ways to lower costs. Referring to this as her “medication toolkit that she keeps in her head”, she points to options such as:

- Coupon and price comparison companies like GoodRx, to find out how much a medication costs without insurance and/or with a coupon
- Direct-to-consumer pharmacies, like the Cost Plus Drug Company and Blueberry Pharmacy, which offer transparent, low-cost drug pricing
- Local nonprofits in her area that provide assistance for medications
- If available, a clinic financial care counselor, who can look up whether the patient qualifies for a pharmaceutical assistance program, which are often income-based and can offer up to a year’s worth of medication at no cost

WORKFLOW STEP 2: ESTIMATING COSTS FOR OTHER HEALTH SERVICES

For services such as labs, imaging, and specialists, Dr. Sloan’s health system provides cost estimates in the patient portal, although they are only available for facilities within the health system. During the visit, she encourages her patients to look up their estimated costs. She then looks at the costs with them to see if the services are affordable for the patient. If the patient has concerns, Dr. Sloan will try to work with them to see what may be most urgently needed and what could possibly wait.

Dr. Sloan acknowledges that some may push back on this as rationing care, but she finds that people are already rationing their own care and may not be telling their clinicians about it. So, having the cost information examined in the visit allows her to at least help the patient decide what is most clinically important. Unfortunately, there is not always a low-cost option, especially if the services are urgently needed.

Friction Points

While Dr. Sloan’s institution provides estimates for labs, imaging, and specialists in the patient portal, not all health systems do. Moreover, unlike the real-time prescription benefit tool, which provides comparative cost estimates, the patient portal only provides estimates for facilities within a given health system. The lack of comparative costs can leave patients and clinicians in the precarious situation of having to potentially postpone or even forego certain services. In some cases, patients may, however, be able to look up in their insurance portal what labs and imaging may cost at centers outside of their health system.

If real-time benefit tools could provide out-of-pocket cost estimates for services like labs, imaging, and specialists in the same way they provide comparative medication estimates, the tools would be incredibly informative for patients and clinicians in navigating the course of care. The scope of real-time benefit tools will be expanding in 2028 to include vaccines and supplies, and Dr. Sloan hopes it will broaden even further down the road. However, she recognizes there may not be a business case for health systems to provide comparative price estimates for similar services at other systems.

WORKFLOW STEP 3: CONSIDERING NON-MEDICAL COSTS

Finally, other areas of costs that Dr. Sloan considers are health-related non-medical costs, primarily transportation, parking, and facility fees. When she is making a referral, she thinks about the following factors:

- Transportation: Are there service or appointment options close to the patient’s home, or on the bus line? Does she need to schedule far enough in advance so the patient can arrange for transportation that is available through their insurance?
- Parking: There are some clinics that are based at the hospital, which has a parking fee, and there are outlying clinics that do not have a parking fee, so she opts to refer patients to those outlying clinics when possible. She also considers whether clinics are on the bus line, for patients who do not have a car.
- Facility fees: Hospital-based clinics have facility fees, so she tries to refer patients to outlying clinics that are less likely to have a facility fee and again are accessible by bus.

Learning and Refinement

Dr. Sloan highlights that even patients who do not have catastrophic expenses may still struggle with affording their care, so working with them to address costs can make a difference.

Measuring Progress

Dr. Sloan sees the tangible benefits of helping her patients save money where she can while also improving adherence. She has found that her relationships with her patients improve when she addresses issues of cost because it demonstrates that she understands their situations. She emphasized the value of real-time prescription benefit tools, which are embedded in the EHR, free for clinicians to use, and do not require a behavioral intervention for patients.

Even though they are not perfect, real-time prescription benefit tools are bringing price transparency into the clinic in a way that didn't exist a few years ago. The industry is generally supportive of these tools, including EHR vendors, commercial insurers, and health systems, because it makes sense financially for everyone. Of course, Dr. Sloan acknowledges there is room for improvement in terms of their accuracy and reach, along with education for clinicians about their use.

Lessons for Other Clinicians

Having studied costs of care, real-time prescription benefit tools, and medical decision-making, including putting that learning into practice, Dr. Sloan serves as a model case rather than a typical case. Understandably, clinicians may feel uncomfortable talking to their patients about costs, and they have limited time with their patients, so some clinicians may prefer to send their patients to speak with a financial counselor after the visit. However, Dr. Sloan feels that engaging with patients directly about costs during the visit is more efficient because she can make any necessary decisions right there and then versus hearing from a financial counselor afterwards. She would rather handle everything during the visit, which is why she has found the real-time prescription benefit tools to be so helpful.

She acknowledges that, "It feels unfair to have to deal with cost issues in the clinic when affordability and medical debt issues are systemic problems. But while others are trying to solve these systemic issues, clinicians can help patients afford their care and avoid going into debt."