

Cigna Web Tool Tells Cost Of Care Upfront

By [VICTORIA E. KNIGHT](#)

U.S. health insurer [Cigna Corp.](#) is launching an online tool that will enable doctors and hospitals to inform Cigna enrollees in advance of treatment how much they're likely to pay in out-of-pocket costs.

Out-of-pocket costs for medical treatment have risen sharply in recent years as employers - who provide health insurance to almost 180 million Americans - have shifted more of its cost to workers and their families. At the same time, it's becoming harder for patients to figure out what their expenses will be as health plans become more intricate.

The tool, known as the Cigna Cost of Care Estimator, will be launched in April. It helps in-network health-care providers to estimate how much of the cost Cigna will pay, and what the patient will owe - before treatment is provided. It factors in deductibles and co-payments specific to the patient's plan as well as funds that can be tapped, such as money in flexible spending accounts.

"Every other service industry provides estimates of cost prior to service; for the first time, we are systematically trying to do this for health care," said Dr. Jeffrey Kang, Cigna's chief medical officer.

By receiving itemized cost estimates in advance, patients can avoid "sticker shock" and make better-informed decisions about their care and how to pay for it.

For health-care providers, the tool can help reduce confusion among patients about what they owe, and provide an opportunity to discuss payment arrangements, improving the likelihood that bills will be paid.

There is a concern, however, that knowing more precisely what patients will owe could lead some health-care providers to require upfront payments for treatment. Jim Nastri, vice president of product development at Cigna, says hospitals that participated in a pilot program for the tool are collecting "a fraction" of the money patients owe upfront.

Patrick McDermott, senior vice president of revenue services at Chicago-based Resurrection Health Care, which participated in the pilot, says he has instructed his staff to maintain a "soft policy" around payments. Staff can give Cigna patients the option of paying what they owe before or at the time of service, or of following the same payment schedule as other patients.

He noted that doctors often "are mandating patients to pay co-pays prior to service and hospitals are playing catch-up. We don't want to change things in one fell swoop, though."

Other insurers are likely to follow Cigna's lead in developing pre-treatment estimates. The Cigna system, which uses proprietary software from Thomson Reuters, is accurate "within 10% of the cost of those services 90% of the time," Nastri said.

More than 250 physicians from hospitals, clinics and standalone practices in major cities in Illinois, North Carolina and Arizona participated in the pilot, which lasted 15 months, Cigna said.

"As health care cost-sharing becomes increasingly prevalent, it is vitally important to educate individuals about how their health plans work and improve their understanding of the actual costs of medical services and how those services will be paid," said Joan Guttman, system director of patient access at Resurrection Health Care.

For instance, if a patient enrolled in one of Cigna's health plans is scheduled to go in for a procedure (say, an ultrasound test) at one of Resurrection's facilities, a member of staff from the business office can call the patient in advance to talk about the charges the patient is likely to incur and whether he or she will be able to pay their share or needs financial assistance or wants a payment plan set up.

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