

# Wide variation in cost and transparency of payer-negotiated prices for thyroid cancer care

4 June 2021



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Hospital price transparency is intended to help inform patients about the cost of services and procedures before they receive them. Since Jan. 1, 2021, hospitals in the U.S. have been required by The Centers for Medicare and Medicaid Services (CMS) to provide pricing information online about items and services.

A team of researchers from Brigham and Women's Hospital and Massachusetts Eye and Ear leveraged the newly available data to analyze [price transparency](#) and price variation for the treatment of [thyroid cancer](#). The team found that both transparency and price varied widely, with only half of the [cancer](#) centers studied reporting disclosure of payer-negotiated prices and the cost of some services ranging by as much as 70-fold. Results are published in *JAMA*.

"Reporting payer-negotiated prices is an important first step toward helping patients estimate the cost of care before receiving treatment," said

corresponding author Roy Xiao, MD, MS, a resident in Otolaryngology-Head and Neck Surgery at the Brigham and Mass Eye and Ear. "Based on previous work, we expected to see some degree of variation, but the full range that we saw in our study was certainly surprising."

While CMS requires rates for all kinds of procedures to be disclosed, Xiao and colleagues focused on [thyroid](#) cancer as a case study. Treatment for thyroid cancer is known to impose substantial financial burdens on patients. Among cancer patients, bankruptcy rates are highest for patients with thyroid cancer.

The researchers characterized price availability and variation for thyroid cancer care at 52 National Cancer Institute (NCI)-designated centers as of March 25, 2021. Half of the centers disclosed commercial payer-negotiated [prices](#) for any items or services. Even after normalizing for factors affecting the cost of delivery of care, the team found wide variation across centers, with a 70-fold difference in the cost of radioactive iodine treatment and a 44-fold difference in the cost of neck computed tomography. Within centers, [costs](#) also varied widely, depending upon the insurer. On average, procedures such as fine needle aspirate biopsy and thyroid uptake scan varied by almost 5-fold within centers.

The authors note that CMS requires hospitals to disclose negotiated rates for hospital-employed physicians, but physicians practicing at hospitals are often employed by affiliated physician organizations, which may account for why many centers did not report surgeon professional fees for thyroid surgery. They also note that the study was conducted shortly after implementation of price transparency requirements. As centers overcome obstacles to compliance, disclosure rates and

transparency may increase.

"Centers are facing a new reality when it comes to price transparency—never before have they been required to make these rates available, and it's a huge lift to collect this information and make it available in a way that is intelligible to patients," said co-first author Vinay Rathi, MD, MBA, a resident in Otolaryngology-Head and Neck Surgery at the Brigham and Mass Eye and Ear. "As this information becomes available, we're interested in exploring how it can be used to help our patients."

"The cost of health care is a fundamentally important issue," said senior author Rosh K.V. Sethi, MD, MPH, a head and neck surgeon at the Brigham and Dana-Farber Cancer Institute. "The introduction of price [transparency](#) is a step in the right direction for both patients and clinicians to understand discrepancies in cost."

**More information:** Roy Xiao et al, Payer-Negotiated Prices in the Diagnosis and Management of Thyroid Cancer in 2021, *JAMA* (2021). [DOI: 10.1001/jama.2021.8535](https://doi.org/10.1001/jama.2021.8535)

Provided by Brigham and Women's Hospital

APA citation: Wide variation in cost and transparency of payer-negotiated prices for thyroid cancer care (2021, June 4) retrieved 8 June 2021 from <https://medicalxpress.com/news/2021-06-wide-variation-transparency-payer-negotiated-prices.html>

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