

Letters

RESEARCH LETTER

Availability of Consumer Prices From Philadelphia Area Hospitals for Common Services: Electrocardiograms vs Parking

Most people in the United States are shielded by third-party payers from the marginal cost of their health care consumption. It has been suggested that removing that shield would foment concern about price and, in turn, create market pressure to keep prices down.

Nevertheless, however concerned about prices they may be, consumers cannot act on their concerns if prices are not easily available. This point was raised by Rosenthal et al,¹ who attempted to find the price for hip replacement and discovered that “many health care providers cannot provide reasonable price estimates.”

Still, it may be incorrect to extrapolate the findings of Rosenthal et al¹ to all health care because hip replacement is a complex service. The price of a hip replacement may not be known in advance because costs are higher if a special implant will be needed or if the patient requires a prolonged hospital stay. Furthermore, even if hospitals know their typical cost, they may find it unwise to offer hip replacements at that figure. Owing to information asymmetry,² hospitals selling hip replacements to all comers at their typical cost might find themselves inundated with patients who suspect that their own costs will be higher.

It also may be the case that hospitals are ill equipped to answer questions about price over the telephone.

To test these hypotheses, the methods of Rosenthal et al¹ were used with a variation. We telephoned and asked whether price information could be obtained for an electrocardiogram (ECG)—a procedure with uniform costs and free of adverse selection. Next, we telephoned and asked whether price information could be obtained for the cost of parking at the hospital. The provision of parking prices would suggest that hospitals can indeed answer telephone queries about costs—when they want to.

Methods | Twenty hospitals in the Philadelphia, Pennsylvania, area were telephoned by one of us (J.R.H.B.). After connection to the appropriate department, the investigator attempted to determine the price of an ECG; the investigator indicated that she had no health insurance and would like to pay cash. For each facility, the investigator recorded the price or noted that a price was not provided. A second call was then placed by the investigator, who indicated that she was coming for an ECG and wanted to know the cost of parking at the facility. The response to that query was recorded as well.

The City of Philadelphia institutional review boards determined that formal review and approval of this study was not required.

Results | Among the 20 hospitals contacted, a price for an ECG could be obtained from only 3 (Table). Information about the

Table. Price Information for the Cost of Electrocardiograms (ECGs) and Parking

Hospital No.	Price, \$	
	ECG	Parking
1	NP	~6 for 2 h, discounted
2	NP	NP
3	137	0
4	NP	0
5	NP	0
6	NP	0
7	1200	~15 for 2-3 h, discounted
8	NP	~15 for 2-3 h, discounted
9	NP	0
10	NP	0 for visitors
11	NP	0
12	NP	0 for visitors
13	NP	0 for visitors
14	NP	0 for visitors
15	600	0
16	NP	0
17	NP	0 for 30 min; 3 for 2-3 h, discounted
18	NP	2 for visitors with validation
19	NP	0
20	NP	3 for 1 h; 5 for 2-5 h

Abbreviation: NP, not provided.

cost of parking was available from 19. Of these, 10 offered either free or discounted parking for visitors.

Discussion | In response to a telephone query, price information for ECGs—a simple and uniform medical service—was provided by only 3 of 20 area hospitals. This finding goes beyond that of Rosenthal et al¹ because they investigated a complex medical service for which failure to provide a price in advance may be more reasonable.

We also discovered that hospitals almost invariably could provide the price of parking and that parking was often discounted. This demonstrates not only that hospitals are able to provide cost information by telephone but, we infer, that they can respond to consumers’ concern about cost.

In short, the findings of Rosenthal et al¹ were confirmed and indeed strengthened. Hospitals seem able to provide prices when they want to; yet for even basic medical services, prices remain opaque. Accordingly, medical insurance payment schemes that promote concern about prices without a commensurate increase in price transparency are apt to be ineffective.

Jillian R. H. Bernstein
Joseph Bernstein, MD

Author Affiliations: student at Haverford High School, Haverford, Pennsylvania (J.R. Bernstein); Department of Orthopaedic Surgery, University of Pennsylvania, Philadelphia (J. Bernstein).

Corresponding Author: Joseph Bernstein, MD, Department of Orthopaedic Surgery, University of Pennsylvania, 424 Stemmler Hall, Philadelphia, PA 19104-6081 (joseph.bernstein@uphs.upenn.edu).

Published Online: December 2, 2013.
doi:10.1001/jamainternmed.2013.12538.

Author Contributions: Dr Bernstein had full access to all of the data in the study and takes responsibility for the integrity of the data and the accuracy of the data analysis.

Study concept and design: J. Bernstein.

Acquisition of data: J. R. H. Bernstein.

Drafting of the manuscript: J. Bernstein.

Critical revision of the manuscript for important intellectual content: J. R. H. Bernstein.

Conflict of Interest Disclosures: None reported.

1. Rosenthal JA, Lu X, Cram P. Availability of consumer prices from US hospitals for a common surgical procedure. *JAMA Intern Med.* 2013;173(6):427-432.
2. Akerlof GA. The market for "lemons": quality uncertainty and the market mechanism. *Q J Econ.* 1970;84(3):488-500.