



Northcrest Medical Center

Springfield, Tennessee

81 beds

NA ED visits

NA inpatient admissions

Impetus for Initiative: In response to growing demand, Northcrest Medical Center began its phone-based price transparency initiative in 2011. A plastic surgeon asked for detailed hospital pricing information to provide to his patients, most of whom were receiving services not covered by insurance. At the same time, Northcrest noticed an uptick in requests for pricing information from patients enrolled in high-deductible health plans. These factors prompted Northcrest to assess its cost structure and set prices that covered direct costs, overhead and an adequate margin. The organization is still in the process of building its database of pricing information. At this point, it has more success with outpatient versus inpatient procedures.

Patients calling the hospital for pricing information are referred to patient schedulers who consult a spreadsheet of charges and consider the patient's insurance coverage in determining what the out-of-pocket expenses will be. The estimate includes physician services, but patients are told they will ultimately receive separate bills for surgery, anesthesia and from other physicians involved in their care. Staff are trained to make it clear that the price is an estimate and may vary depending on the specific course of care. Self-pay patients get an automatic 20 percent discount.

Challenges: A significant challenge for Northcrest is understanding its own cost structure so adequate prices can be set. Additionally, some patients are frustrated by the imprecision of the estimate and/or the length of time it takes to get an estimate if the service is not already in the database.

Contact: Randy Davis, CEO

Randy_davis@northcrest.com

615-384-1501