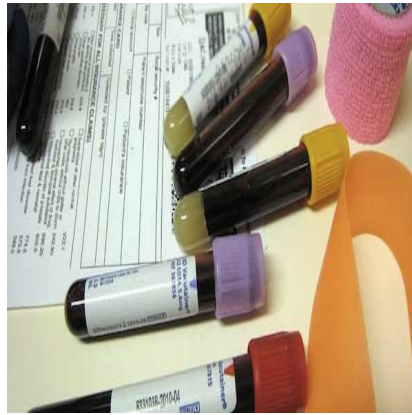




## Blood Tests: From \$10 to \$10,169



Recent research published in BMJ Open shows that there are significant price differences for ten common blood tests in California hospitals. While some patients were charged as little as \$10 for one test, there were others that were charged \$10,169 for the same test.

More than 150 hospitals in California were analysed and tests such as lipid panel, basic metabolic panel, and complete blood cell count with differential white cell count were examined. The blood test analysis was based on charges assessed in 2011 by general, acute care medical and surgical hospitals. A large majority of these hospitals were not-for-profit, urban, non-teaching facilities. Approximately 41 percent of the patient population that was surveyed were on Medicare, while 25 percent were on Medicaid.

It was observed that prices varied on the basis of ownership and teaching status. Prices were generally lower at government or teaching hospitals and factors such as location, labour costs, patient capacity and uninsured patient population did not make much of a difference in this variation. However, the difference in prices does make it difficult for patients to know the costs of the tests in advance, on the basis of which they could take an informed decision.

Price for a basic metabolic test ranged from \$35 to \$7,303 while the median charge for the test was \$214, providing a very drastic deviation. Similarly, the median charge for a lipid panel was found to be \$220 while the overall charges ranged from \$10 to \$10,169.

While this variation in prices may not be a big deal for patients who have insurance, it is actually the uninsured patient population that faces the brunt of these charges. In addition, individuals who are insured through their employers already face issues because of high deductibles and co-pay, and with these differences in price they end up with even higher out-of-pocket costs.

A possible explanation for these difference in charges may be that some quality hospitals, who have invested in higher quality facilities, supplementary services and social services, may be charging more because of their superior service quality. However, the value of these differences is difficult to measure.

Similar variation in fees was observed with hospitalisation. This aspect was analysed separately in another study published in PLOS ONE. That analysis showed that hospital charges for an average patient in California, who was admitted for uncomplicated percutaneous coronary intervention, ranged from \$22,047 to \$165,386. The median charge was \$88,350. It was observed that charges were higher in hospitals located in areas with higher costs of living, in rural hospitals and in hospitals where there was a higher proportion of patients with Medicare.

“To expect patients to be rational consumers is unrealistic when the system itself is irrational,” report senior author Renee Y. Hsia, MD, an associate professor of emergency medicine at UCSF and director of health policy studies in the Department of Emergency Medicine, said. “There is very little that we are able to point to that explains the variation, suggesting that the variations are not predictable and therefore a sign of huge inefficiency within the health care pricing system.” Hsia is also an attending physician in the emergency department at San Francisco General Hospital and Trauma Center.

Source: Newswise  
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Published on : Mon, 18 Aug 2014