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## Disparities in Cost Impacting Future of Healthcare, Transparency Needed

According to a report released by the Blue Cross Blue Shield Association and Blue Health Intelligence, knee and hip replacement surgery costs vary widely in markets across the country, with sharp variations even within the same markets. The report is based on independent Blue Cross and Blue Shield companies' claims data. According to the study, the average typical cost (without complications) for a total knee replacement was \$31,124 in 64 markets where claims data were reviewed. However, it could cost as little as \$11,317 in Montgomery, Alabama., and as much as \$69,654 in New York City. Within a given market, extreme cost variation can also exist. For example, in Dallas, Texas a total knee replacement could cost between \$16,772 and \$61,585 (a 267% cost variation) depending on the hospital, the report said. Here is a [link](#) to a summary of the Blue Health report.

This enormous variation in cost for the same services is a major driver behind the healthcare cost dilemma facing employers and the industry overall. Only competition and transparency will ultimately create a more balanced approach to how health care is priced and ultimately delivered. Various tools are gaining momentum --- tools that allow patients to query the cost of services by provider in advance of getting care. These "on line cost comparison" tools, with quality and outcome data included, will be essential to ultimately normalizing cost and driving down the disparities across markets.

Here is a [video](#) from Conner Strong & Buckelew that speaks to the value of healthcare transparency tools to be launched to benefit plan populations.

Until there is transparency in cost and quality creating true competition healthcare costs will continue to be a challenge. Conner Strong & Buckelew has solutions to help in this space.

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