

TODAY

Prices
stable

Analysts expect a report from S&P/Case-Sho that the price index is to have risen at from a year from the 4.61 recorded in

story at [dallasbusiness.com](#).

GLOBAL BEAT

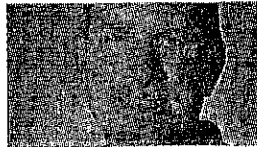
Detouring through back office to cut health costs

Pricing transparency is a novelty in the medical business. Patients typically learn what they owe when the bill arrives.

That can be a crushing piece of news for the nearly one in three Dallas residents without health insurance.

A couple of challengers are offering different business models.

The Jefferson Physician



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Group, a Dallas network, offers uninsured patients an upfront, discounted price list. For example, a routine office visit for a new patient costs \$82

instead of the typical retail charge of \$140.

The patient gets the discount by agreeing to become a member and paying at the time of service.

A Tennessee group, meanwhile, has posted an online Healthcare Blue Book (www.healthcarebluebook.com) to show patients what insurance companies are paying for medical care in their

ZIP code. Armed with that free information, the group expects patients will negotiate the cost of their own care.

Both models rely on prompt payment discounts. Billing is such an expensive process that many medical providers are happy to charge less if they can get their money promptly.

"You should see the stacks of paper in my hallway," said Dr. Guy Culpepper, the 53-year-old

Dallas native who is the CEO of the Jefferson Physician Group. "One doctor sometimes needs six employees around him to take care of this stuff."

The back office adds "a minimum of 20 percent" to physician fees, he said.

Prompt payment discounts aren't new. Several provider networks across the country

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Unveiling mystery of medical pricing.

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use them. Jefferson's model is different because it publishes its prices and does not charge for membership. Some discount membership groups charge nearly \$100 a month.

"I saw people selling these discount cards, and I got mad at them for charging people for discounts we as doctors would give them anyway. All they need to do is ask," said Culpepper, who practices in Frisco.

One year after Culpepper started the network about 400 family practitioners and specialists in the Dallas area accept patients with a Jefferson Independence Card (www.jeffersoncard.com). About 5,000 patients have enrolled, Culpepper said.

Dr. Jeff Rice, one of the founders of the Healthcare Blue Book, was invited to Fort Worth in the spring to talk to the Texas Medical Association about price transparency.

"I asked if I needed a bulletproof jacket to talk about this in a room full of physicians," he said. "But they were very positive about the idea."

Much of that enthusiasm stems from the hassle of collecting payments from patients.

"We march consumers with providers willing to treat patients fairly that are paying cash," Rice said.

Medical prices can vary as much as six-fold across the same community or even across the street, Rice said, but patients don't know this because of the lack of transparency.

"Unfortunately, over half of the patients that use our service are doing it because of sticker shock. They get a bill, they find our site, and then they try to negotiate their bill down," Rice said.

"Make sure you ask the price of care before you get care. That's the biggest pitfall I see patients facing," he said.

Federal legislation enacted this year extending Medicaid and private health insurance to more Americans could cut the need for these services. But the mystery over medical prices will remain.

"There's not a single requirement for price transparency" in the law