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NPR Health Blog

Stop Paying Too Much For That Bypass

By April Fulton

Want to pay less for that proceedure? Haggle. There's a new service to help. /istockphoto.com

Tired of paying top dollar for health care? You probably can and should negotiate the cost of that root canal, but if you have good insurance, it may not seem worth the effort.

Since the economic forecast continues to be cloudy and employer-sponsored health care is becoming increasingly expensive, this laissez-faire approach may not be the best strategy anymore.

A new free web service launched in January called the Healthcare Blue Book offers consumers who pay cash for health care services the tools to shop around for the cheapest services in their area.

Playing off the famous car pricing Bible of a similar name, the Healthcare Blue Book arms patients with pricing information for everything from podiatry to a face lift, based on your Zip code.

How it works: Type in a category and your Zip code, and the calculator comes up with prices for the procedure, a sample contract, and often, some information about the procedure and alternatives to help jumpstart your negotiations.

The Healthcare Blue Book calculates "fair" prices based on the standard rates most providers accept from insurers, says founder Jeffrey Rice, a lawyer and a doctor who spent several years in radiology and managed care groups affiliated with Duke University.

He started the service because his health provider wanted to charge him $200 for what he knew was a $20 procedure.

Finding a way to harness price comparisons has been a dream of free market health reformers for years.

CATO's Michael Cannon proudly describes here how he negotiated a 50 percent discount on a knee MRI, then when he blew out the other knee, he got a 70 percent discount.

Cannon tells us that while he doesn't expect people to start negotiating their brain surgeries, there is a place for bargaining. "If consumers controlled the money that purchases their health insurance and medical care, there would be more price transparency, more price competition, and fewer startling price variations," he says.

We asked Rice: If everyone used the Healthcare Blue Book, would there be a need for a health care overhaul bill in Congress this year? Rice responded that he wouldn't go that far.

"But we could certainly save a lot of money and improve quality of care by educating consumers," he says.

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