

Episode: *Author Interview: "Necessity for and Limitations of Price Transparency in American Health Care"*

Guest: Harold A. Pollack, PhD, MPP

Host: Tim Hoff

Transcript by: Cheryl Green

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[bright theme music]

TIM HOFF: Welcome to another episode of the *Author Interview series* from the *American Medical Association Journal of Ethics*. I'm your host, Tim Hoff. This series provides an alternative format for accessing the interesting and important work being done by Journal contributors each month. Joining me on this episode is Dr Harold Pollack, the Helen Ross Professor in the Crown Family School of Social Work, Policy, and Practice at the University of Chicago in Illinois. He is also faculty Co-Director of the University of Chicago Urban Health Lab. He's here to discuss his article, *Necessity for and Limitations of Price Transparency in American Health Care*, in the November 2022 issue of the Journal, [How Much Will It Cost?](#) Dr Pollack, thank you so much for being on the podcast with me. [music fades out]

DR HAROLD POLLACK: Thank you so much for having me, Tim. And I think your psychology skills in helping a technically inept guest make you eligible for any number of clinical roles in our behavioral health system.

HOFF: [laughs] Well, I appreciate that. So, to begin with, what's the main ethics point of your article?

POLLACK: Well, I want people to understand the necessity for price transparency in medical care, but also to understand the limitations of price transparency that we have. We have some really serious structural issues in health care that relate to disparities in information, disparities in bargaining power between clinicians and patients and also between clinicians and other payers, that transparency really doesn't help. You know, we could have complete transparency between Harold Pollack and LeBron James playing one-on-one basketball. Transparency doesn't solve every issue. And so, my article talks about some of the ways that transparency is incredibly important for the legitimacy of the system and for fair treatment of patients, but also to understand that we don't want to load too much into the transparency bucket when we're dealing with other policy challenges that we face.

HOFF: And so, what's the most important thing for health professions students and trainees to take from this article?

POLLACK: I would, I'm going to split my answer. I'm going to say there's two things. One is the importance of being transparent about pricing and to understand for your patients what they're going to be paying for things. Because we know from the, there's a large literature on financial toxicity and other things that, wow, we can really harm patients if we end up imposing huge financial burdens on them. And that's often done unintentionally within our system. But also, that we have to think in a policy way about how do we protect patients and protect the efficiency of the entire system, where really, where prices are often just too high? And I think most of us in health policy, health care, we have a very,

very high ethical standard when it comes to treating an individual patient, and those ethical standards don't always carry over to institutional roles that we might occupy, where, for example, an academic medical system with a lot of bargaining power is just charging a heck of a lot of money for services in a way that really imposes burdens on patients and on the entire society. So, those would be things that I really hope people will take away from my article.

HOFF: And finally, if you could add a point to this article that you didn't have the time or space to fully explore, what would that be?

POLLACK: I would say that everyone in the system has to be self-aware about their own role as an economic actor and the reality that we all respond to economic incentives. And we often overlook that because when we're dealing with a patient by the bedside—and I should say I'm not a clinician, but I work very closely with many clinicians—many people, when they're dealing with the patient at the bedside, they'll be with that patient 24 hours straight, do everything they can to help that patient. But then when they're in an organizational leadership role, they will endorse policies that impose very punishing financial burdens on that patient and also on the wider society. And I would include in that, by the way, understanding that insurance companies often, one of the ironies in my article is that insurance companies are often more on the side of health equity than some of the health care providers that they are dealing with. That health insurers, we have charged health insurers with trying to impose some kind of discipline on the financing of health care, and they just don't have the public legitimacy to do that that providers have.

If the University of Chicago Medical Center or University of Pittsburgh Medical Center is in a financial tiff with Cigna or with Aetna, the American public, says, "Hey, wait a minute. The people at these medical institutions have made great advances in cancer care who are helping patients. They just have way more legitimacy than this private for-profit insurer that I don't particularly like to deal with." And very often the reality is, is that what Aetna and Cigna are trying to do is they're trying to ensure the cost effectiveness of care. They're trying to maintain competitive premiums for their consumer, not because they are altruistic, but because that's their role in the system. And I think it's very, very easy for those of us in health policy to overlook that or to basically say all of the private actors on the demand side are basically self-interested actors that lack legitimacy. And the reality is that a lot of the economic issues that lead to excess expenditures and that lead to heavy burdens on patients are coming from the supply side. They're coming from the respected hospitals and medical providers that we look up to, rightly for so many reasons, but that are also economically self-interested actors like everyone else in the system.

I would also add that I think it's really, really important to understand the necessity and the limitations of ethics as a framing, the way that we often think about ethics in the clinical setting. I think very often we think about ethics as am I honoring the humanity of this individual patient? And am I treating this patient with beneficence in a way that honors the Hippocratic Oath and other ethical guidelines that we have? And that's critically important. What we can sometimes miss with the ethical frame is the need to think about structure. If I am treating that patient beautifully in a clinical sense, but the bill that's going to come to that patient and to the wider society is 200% of what I would be able to charge if Medicare were the payer, that's problematic.

And we have to appreciate that there are these structural issues that create huge problems for the society that do not reflect the individual mistreatment of a patient in a clinical sense, but that reflect a misallocation of economic resources, and very often,

behaviors by health care providers that treat the business of health care as capitalist acts between consenting adults, even as they treat the clinical realities of health care as a human encounter with a patient that they care deeply about. And both those things are really important. And I think it's important that we think about structure, we think about policy, and that we understand that everyone in the system, including insurance companies, including other payers that are putting leverages on hospitals, they play a critical role that is no less worthy than the role that clinical professionals are playing.  
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HOFF: Dr Pollack, thank you so much for your time today on the podcast and for your contribution to the Journal this month.

POLLACK: Thank you so much. It's an honor to talk to you.

HOFF: To read the full article as well as the rest of the November 2022 issue for free, visit our site, [JournalofEthics.org](https://www.journalofethics.org). We'll be back soon with more *Ethics Talk* from the *American Medical Association Journal of Ethics*.