

Consumer Digest

Contents

July/August 2008



FEATURES



Buyer's Market

Top Values in Powerboats and Outboard Engines

The sinking economy means that there are plenty of deals afloat, even on today's most advanced models with vacuum-formed fiberglass hulls.

The Truth About Toddler Tutoring

Sending your tot to a special learning center instead of preschool might be over-booking your child as well as a waste of money.

Brew Masters

Coffeemakers & Espresso Machines

Espresso machine makers are luring customers with super-automatic machines that use high-tech tricks to get a gourmet brew.

SPECIAL SECTION

Sneak Preview: Cars, SUVs, Pickups, Minivans & Hybrids



If you want to haul the family or discover a new ride, you might be disappointed by what is in the offing. But plenty of vehicles focus on improved comfort and better fuel economy.

Examining Health Care: How to Reduce Your Medical Bills

With the cost of health plans rising, more consumers must shop for health care. Unfortunately, resources to help you make sound decisions are limited.



Going with the Flow Today's Best Kitchen Sinks & Faucets

Numerous new kitchen sinks and faucets are appealing, but think twice before you buy into the concept of hands-free and low-flow faucets.

Grand Openings

What's New in Garage Doors

Carriage-house-style designs can give your garage curb appeal without breaking the bank.

Special Investigative Report

Optical Illusion

Increasing industry influence by manufacturers of frames and a marketing campaign aimed at making eyeglasses a fashion accessory has decreased the medical focus for this product.

Lost & Found

New Directions in Handheld GPS & Two-Way Radios

The latest two-way radio sets offer more security, but manufacturers make distance claims most consumers won't see. Meanwhile, GPS handhelds are easier to use than before.



HOW TO REDUCE YOUR MEDICAL BILLS

By Sara Bongiorno

Hank Linden has heard all about scanning the Internet for deals on health care the way many now book airline tickets. But the semi-retired 64-year-old from Baton Rouge, La., isn't planning on shopping for a new doctor anytime soon.

"As you get older, you become more aware of your frailties, so you value your relationship with your doctor more," Linden says.

Linden's skepticism defies the fact that he falls into a rapidly growing group of consumers who, along with those who have no health insurance at all, seem to have the most to gain from the idea of comparison shopping for health care. He and his wife are covered by a high-deductible health plan that pairs the lure of lower monthly premiums with high out-of-pocket costs for policyholders—\$6,000 a year in the Lindens' case.

According to Center for Policy and Research, people covered by health savings accounts (HSAs) and high-deductible health plans increased to more than 4.5 million in January 2007 from more than 1 million in March 2005. This increase means more consumers have incentive to shop for health care, because they put more of their money on the line with each trip to the doctor. The plans are the central drivers of the health-care industry's move toward a

The number of high-deductible health plans is rising, which causes more consumers to comparison shop for health care. One Pennsylvania hospital system even offers a warranty. But available resources to help you shop and make sound decisions are limited, even as more burdens and costs are shifting your way.



retain approach and a trend that experts say will continue, regardless of whom voters choose in November's presidential election.

"The whole health-care system is moving toward high-deductible plans," says Bill Griffin of Baptist Memorial Health Care in Memphis, Tenn. "More transparency is needed, so consumers can make smart decisions."

However, the obstacles to effectively shop for health care—now and in the future—are considerable. For starters, the quality information you need to make smart health-care decisions is, in most parts of the country, undecipherable or virtually nonexistent. Personal, portable electronic health records that can easily be accessed online—an essential component of true patient mobility—pose new threats to consumer privacy. Even the idea of shopping far and wide for the best doctors has its limits, because insurers negotiate hospital reimbursement rates locally and pay less when consumers get care outside of local networks.

Then there is this fundamental issue: Consumers don't want to spend more time and effort shopping for care, especially when they are frightened or fatigued by the prospect of illness or actual injury.

Coming Clean. In terms of shopping for health care, hospitals and insurers have long resisted disclosing cost and performance information. They argue that it confuses consumers and unfairly judges the skills of providers caring for sicker, older or other more-fragile patients. However, that argument is eroding, because a small but growing number of hospitals voluntarily publish the information, largely in response to the rise of high-deductible plans.

For example, the Web site of Omaha, Neb.-based Alegent Health lists pricing schemes that allow you to determine your exact out-of-pocket costs for more than 500 tests and procedures, from mammograms to cosmetic surgeries, at its nine hospitals in Iowa and Nebraska. You also can see how closely doctors and nurses follow recommended procedures for a variety of conditions, such as quickly giving antibiotics to pneumonia patients and providing others with



smoking-cessation counseling. The Web site of Louisville, Ky.-based Norton Health Care compares its performance in treating breast cancer, preventing infections and roughly 600 other categories against that of other hospitals in the state and nation.

The benefit of disclosing this information is this: Hospitals that go public with quality information are more likely to adopt procedures to ensure they get all the steps right the first time. At Norton, the percentage of heart-attack patients receiving an angioplasty within the recommended time period of 90 minutes of arriving at the emergency room hit 100 percent, up from 32 percent when the system began publishing its results 3 years ago, says Ben Yandell, who oversees Norton's quality-reporting program. "We wouldn't have seen this level of improvement, at least not so quickly, without the reporting of the outcomes," he says.

But problems continue when it comes to information provided by big-name insurance companies. Although they are releasing more information on physician charges or performance for members on the Internet, there still is no standard on what information to publish, so those who take the time to investigate are faced with a hodge-podge of data that confuses as much as it informs. Figuring out what information to

provide also has provoked controversy. In New York, criticism that insurers were giving high quality scores to cheap doctors to lure patients to them—and presumably boost their profits by saving on reimbursement costs—prompted the attorney general last year to set legal guidelines. Even calling your doctor's office might not clear up the issue, because the cost of procedures varies by agreements with health insurers. "Today, if you go to your doctor and say, 'How much does this cost,' more than likely, your doctor doesn't know," says Luis Machuca, CEO of Kryptiq, which focuses on electronic medical records.

Other online resources—some free, some not—post hospital and doctor information. Healthinsight.org focuses on health care in Utah and Nevada but offers a free feature that can be used by anyone in the United States to compare the health outcomes at any hospital versus other U.S. hospitals. And the for-profit site healthgrades.com shows whether your doctor has been the subject of a malpractice suit or disciplinary action. It provides some hospital ratings for free but charges varying amounts for most reports, including cost estimates for specific medical procedures (\$7.95 each). Department of Health and Human Services' site (hospitalcompare.hhs.gov) rates how closely your hospital adheres to everything from preventing bedsores to avoiding infections. It also notes patients' opinions of their treatments and mortality rates for some conditions.

Fifteen states have rolled out Web-based hospital report cards. Last year, California launched CalHospitalCompare.org, a project of the nonprofit California HealthCare Foundation. Some 200 California hospitals voluntarily submit performance and patient-safety data to be posted on the site, compiled or independently audited by third parties, says the foundation's Maribeth Shannon.

Gail Wilensky of Project HOPE, an international health-education foundation, says the data on government-backed sites are reliable because of rigorous reporting regulations. Health-care consultant Brian Klepper has confidence in information from some sites, such as healthgrades.com, because they're banking their reputations on get-

ting the numbers right.

Pricing information is harder to come by, but Health and Human Services' site provides some help. It shows average Medicare reimbursement charges for specific procedures in cities around the country, which give you an idea of where medical costs are relatively more or less expensive. For example, Medicare's reimbursement for gall bladder removal in Provo, Utah, runs between \$5,295 and \$5,973, while in Boston, it spends between \$6,144 and \$7,374 for the same procedure. (This doesn't mean that Medicare beneficiaries pay more out of pocket in a more expensive place, because the typical Medicare beneficiary has a hospitalization cost-sharing requirement of about \$1,000, says Melinda Beeuwkes Buntin, senior health economist at RAND.)

The site is helpful for ballpark costs, but if you think you can find a deal in cities with lower reimbursement costs, keep this in mind: Insurers negotiate rates with doctors and hospitals on a local basis, so patients usually pay more if they seek care outside the local network. Moreover, finding less expensive care outside of your area could be a wash financially when the cost of travel and lodging is taken into account.

Finding price information is no guarantee of success, because those prices can be subject to change as a result of the particulars of an individual's health. "The doctors will say, 'We don't really know what we are going to do until you get here,' which is understandable," says Adam Huttler, executive director of Fractured Atlas, a nonprofit health insurance provider.

Even a simple request for prices of an office visit can be complicated, says consultant Joe Paduda of Health Strategy Associates of Madison, Conn. "There could be five levels of an office visit, from renewing a prescription to getting a number of blood tests done, so you could be looking at five different prices."

Winners and Losers. Many experts say high-deductible plans work best for so-

called "young invincibles"—young people who use little health care and therefore can "afford" the high deductibles, because they don't spend much, anyway. Many such plans do not cover the cost of prescription drugs, leaving people with chronic conditions on the hook for those costs and prompting some to avoid buying drugs, or getting medical care, at all.

Phil Lebherz, executive director of San Jose, Calif.-based Foundation for Health Coverage Education, points to the results of a Kaiser Permanente study published in June 2006 in *New England Journal of Medicine*. The study found that when Medicare beneficiaries' drug

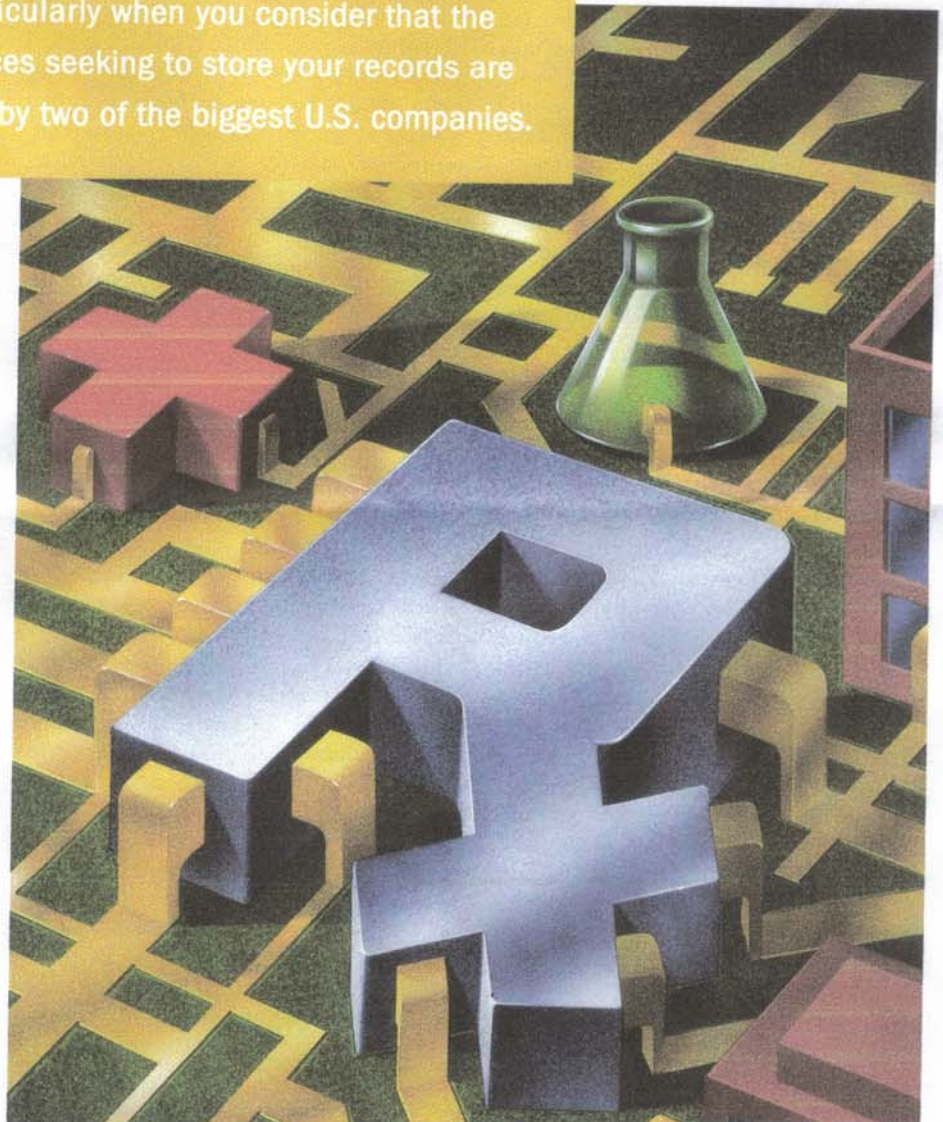
coverage was capped at \$1,000, those with chronic conditions, such as diabetes, were more likely to stop taking their medication altogether after they reached the limit.

Fortunately, Lebherz believes, plans that now exclude preventive care and drugs for chronic conditions most likely will include them over the next several years.

"They don't want to put a disincentive on staying healthy, because getting sick costs money," he says.

For consumers who aren't young and "invincible," a high-deductible plan can present real financial risks, even for those who have an HSA. Paduda says HSAs that are tied to such high-deductible plans—sometimes funded by employers, sometimes not—often have too little money to cover much of the

Electronic patient records stored in an online file pose concerns about patient privacy, particularly when you consider that the services seeking to store your records are owned by two of the biggest U.S. companies.



out-of-pocket limit. Employers on average donate \$715 per year to employer-owned savings accounts called health reimbursement arrangements (HRAs), but the yearly deductible for such plans for families can run \$5,000 or more. The contributions "are nowhere near the deductible amounts," Paduda says. You have to make up the difference.

"[Patients will] ask, 'Do I really need that X-ray or MRI? Can I get by without that?' Nobody used to ask me that."

— Dr. Jack Farr, orthopedic surgeon

Nancy Blum, a 44-year-old who divides her time between New York and Richmond, Va., bought a high-deductible plan, because she has a modest income and the monthly premium was more than \$100 a month cheaper than other insurance options. Yet Blum tells *Consumers Digest* she's worried about getting sick and isn't sure if she would be inclined to search for health-care pricing in an urgent medical situation.

"I assume I would get care and then worry about how much it cost later," Blum says. She adds that she views the high-deductible plan as suited to a circumstance where she would suffer a major injury or illness.

Patients with high-deductible plans are even questioning the necessity of certain presurgical procedures, because they are paying more for surgery expenses. Dr. Jack Farr, an Indianapolis orthopedic surgeon, says he's had more patients talk about this over the past 3 years than ever before.

"They'll ask, 'Do I really need that X-ray or MRI? Can I get by without that?'" Farr says. "Nobody used to ask me that."

This sign of the times is both good and bad. On the one hand, you are empowered to decline what you believe is expensive, unnecessary presurgical procedures. On the other hand, declining a procedure recommended by a doctor could lead you to not getting the appropriate care.

Avoiding Problems. When shopping for health care, one thing you should check

is whether you will be billed for serious, preventable errors that result in additional surgeries or other treatments. Believe it or not, this outrageous situation is an issue.

According to National Quality Forum (NQF), a health-care safety advocacy agency, hospitals in 11 states (Delaware, Georgia, Indiana, Maine,

Massachusetts, Minnesota, Pennsylvania, Oregon, South Carolina, Vermont and Washington) have agreed to waive fees for errors called *never events*, medical errors so egregious that they never should have happened. Among the 28 possible never events NQF identified are surgery performed on the wrong body part or patient, incorrect surgical procedure and patient death due to contaminated drugs or devices. Depending on the particular state, hospitals won't charge patients for a certain number of specific events; Vermont hospitals charge for eight possible never events, while hospitals in Oregon and Washington won't charge for any of the 28.

One hospital system is going beyond waiving fees for never events. In February 2006, Danville, Pa.-based Geisinger Health System began offering a 90-day warranty on elective bypass heart surgery. The system's three hospitals charge a flat fee for the procedure, with no charge for follow-up care during the warranty period, including treatment for infection or other complications. Geisinger Health System says that it plans to extend its warranty offer over the next couple of years to cover some other procedures, including surgeries for cataract, hip replacement, lower-back pain and weight loss.

Geisinger's policy is laudable, but what if you live in one of the other 39 states? Tough luck. You might have to pay for doctors' and hospitals' errors. This billing practice is an insult to the consumer.

Fortunately, there is growing intoler-

ance of the idea that patients, or insurers, should pay for medical errors that could have been avoided. Medicare recently announced that as of this October, it would no longer pay hospitals for preventable medical errors, such as bedsores, fractures from falls and urinary tract infections from catheters. Since Medicare's announcement, big-name insurers Aetna, BlueCross BlueShield (in 14 states), Cigna, UnitedHealth and WellPoint said that they also will no longer reimburse hospitals for medical mistakes.

What's uncertain is whether consumers who have paid their share of insurance before a surgery, as is often the case, will be able to get their money back if something goes wrong, Beeuwkes Buntin says. If they live in one of the 39 states where hospitals charge for never events, we're skeptical whether they would get their money returned to them.

Portable Records. To really be able to shop for health care, you also need access to complete and portable personal health records, so you can give any physician or hospital a complete picture of your health history. Experts laud centrally located electronic medical records as a way to eliminate costly medical mistakes caused by messily scrawled doctors' notes and to organize records online instead of in paper files scattered among several doctors.

Yet, electronic patient records stored in an online file pose concerns about patient privacy, particularly when you consider that the services seeking to store your records are owned by two of the biggest U.S. companies. In October 2007, Microsoft released its beta (test) version of HealthVault (healthvault.com), and in May, Google released its beta version of Google Health (google.com/health). Both are Web-based services that allow you to create electronic versions of your health records. You can decide where they can be transmitted and how they can be used. The catch is that the federal privacy law that safeguards traditional patient records does not cover electronic records, a reflection of the law's creation in the mid-1990s, before the heyday of the Internet.

(Continued on page 72)

HEALTH CARE

(Continued from page 48)

The Health Insurance Portability and Accountability Act (HIPAA) restricts how personal health records can be used in everything from medical research to litigation. It backs up its rules with the threat of jail time and penalties of up to \$250,000 per violation.

But HIPAA applies only to hospitals, doctors' offices and insurance companies, says privacy consultant Bob Gellman. Companies, such as Google, "are not subject to it," he says. The companies say they won't use personal health data for advertising or share it with anyone without users' permission, but privacy advocates worry that consumers' private medical information can leak out too easily to marketers or to the government. Gellman adds that having the sum of a person's health records in one place, by its nature, poses new perils to consumer privacy, because the information can be transmitted so quickly.

Notably—and perhaps ominously—both Google and Microsoft oppose the recommendation advanced by some privacy experts who say Congress should expand HIPAA's scope to include third parties. Unfortunately, "there is no likelihood of legislative action any time soon," Gellman says. For that reason, you need to weigh the pros and cons of agreeing to an electronic health record operated by a commercial company, depending on your health or other factors. Gellman's advice is not to do it, "unless you can clearly articulate how it's going to improve your care."

In any case, Leberherz says, it could be a decade or more before the industry establishes a standard for collecting, storing and transporting electronic medical records, or deciding who will be charged with keeping them safe. For now, Gellman advises you to "be suspicious" when presented with forms that deal with medical privacy.

It's a warning that you should heed as the industry rushes forward with a trend that will change the face of health care as we know it. ◀

Sara Bongiorno is a freelance writer whose work has appeared in The Boston Globe, Christian Science Monitor and the Los Angeles Times, as well as Consumers Digest.

FUTURE ISSUES

Home Theater and Audio Components ... Gone are the days of setting up your home entertainment system on an entire wall. Now you can buy a home theater-in-a-box and so-called sound bars and produce premium audio quality in a fraction of the space once required. Our expert will identify the best of the best.



Estate Planning ... Planning the specifics of the management and dispersal of your estate after your death is tricky, because numerous rules are changing. For example, today, families can combine assets into partnerships, individuals can protect their investments and possessions from creditors, and anyone can set up trusts for pets.

Rehabilitation Services ... As medicine and technology advance, more people are surviving cancer, stroke and other illnesses that typically used to be fatal. Not surprisingly, the number of centers supposedly designed to help these patients is on the rise. A report in our next issue will reveal which services pass our examination with flying colors and which have a negative prognosis.



Cooking Appliances ... If it grills, broils, heats or steams, we'll check it out and offer our recommendations on ranges, cooktops and ovens that could give your kitchen extra flavor.

Plus ... Best Buys in cellphones, furnaces and boilers, game tables, musical keyboards, range hoods, sleeper sofas and futons, toasters, toaster ovens, water softeners and Web cams.

What Is A Best Buy?

A CONSUMERS DIGEST Best Buy is defined as a product that offers the most value for a given amount of money. That doesn't mean it is the least expensive product in its category, nor does it mean it is the best-known brand. A Consumers Digest Best Buy is a nationally available product we've identified as one that merits special attention from consumers based on its combination of performance, ease-of-use, features, durability, warranty, efficiency, styling, and maintenance and servicing requirements. Of course, every product category includes many worthwhile purchases that didn't make our list of Best Buys. Some will be very satisfactory in use; others are excellent products but, because of their premium prices, not exceptional values. For us, *value* is defined as a simple equation: perceived quality divided by cost. Consequently, price is an important factor in naming our Best Buys.

As always, the sources for all Consumers Digest Best Buy recommendations are based on criteria derived from at least three of the following: **1.** Personal (hands-on) product evaluations by the authors and researchers; **2.** Independent testing and research facilities, including colleges and universities, technical schools and independent labs; **3.** Reports from federal, state and other governmental agencies; **4.** Other independent technical experts; **5.** Retail establishments; **6.** Service outlets; **7.** Consumers Digest reader and other consumer surveys; **8.** Previously published evaluations in books, magazines, newspapers, Web sites, etc.

Because different people have different price levels at which they define value, Consumers Digest Best Buys are further refined as follows: **[P]** *Premium Selection* denoting that the product is full-featured and priced accordingly; **[M]** *Midrange Selection* denoting that the product offers many popular features and good performance at a price below the top-of-the-line for the product category; and **[E]** *Economy Selection* denoting that the product offers satisfactory performance with basic features only, at an advantageous price for cost-conscious purchasers.

