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Carlos Migoya talks about his hopes for healthcare price transparency



BY TOM HUDSON
AND SAMMY MACK
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health enterprise in Miami-Dade County that receives \$400 million of public money each year.

Jackson Health is a big player in the healthcare industry in South Florida. It's also a big payer, and its new effort to help patients know how much they'll spend in visits and tests is part of a strategy to compete with other big hospitals in the area.

Migoya spoke with WLRN's Tom Hudson and Sammy Mack about the effort and his hopes for healthcare price transparency.

Read more about Carlos Migoya: 'On brink of disaster, Jackson turns profitable thanks to visionary CEO'

Q: How much of a competitive decision was it to be transparent with your prices in an industry where a lot of companies and a lot of providers don't want to compete on that?

A: We like competing on price. I believe competition is the healthiest way to grow, and price and quality are the two best ways to compete in the healthcare business.

Q: How do you convince your customers that what they're seeing is a competitive price?

A: Pricing is a matter of perception. I can't force competitors to come up with a price. If you need an MRI or a CAT scan or whatever outpatient procedure you need and we can make [your cost] accessible to you immediately and you know what cost will be versus going somewhere else and not know what it will cost you, hopefully it will drive a lot of the consumers to come to a more accessible place.

Q: How do you see this tool changing the way that people go about shopping?

A: If I were the consumer and I got a price from Jackson and I wanted to see what someone else would be doing, I go to that other provider and say, 'If I go to Jackson, this is what it will cost me. What is it going to cost from you?'

Q: How long does it take to get the cost information back and how do patients hear back?

A: The goal is to get it done in 48 hours. We're not happy with 48 hours, but we need to know the specific insurance plan that the person has with their insurance company. We want to make sure that we know all of that and we get it right, and then we get back to the patient and get it verified. We want to get to the point that we can automate it as much as we can.

Q: This tool will give an insured patient their estimated cost out-of-pocket. Is that correct?



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Q: But you will also provide the patient what the hospital will get paid from the insurance company as well?

A: We will provide the total cost if they wish to have it.

Q: That's the cost that begins to get baked into the monthly premium that the insurance company charges the insured patients. How important is that number to the overall cost of healthcare in this community?

A: Knowing the total cost of the procedure to the actual customer is almost irrelevant, but it's extremely important to understand what the overall cost is to the insurance company because the driver of this is to be able to reduce the cost. So therefore what every insurance company tries to do, they try to drive their members to those areas in which they have the lowest cost possible.

For example, in some cases with MRIs or CAT scans, they want to send them to a private non-hospital provider because they can get a cheaper service. There's a balance between the cheapness and the quality.

Q: What do you hope price transparency looks like for this community?

A: I hope that five years from now, the healthcare sector gets to a point that it's almost like an Amazon.com environment: You can go in and say, 'This is what I want to get done' and you would have a list of the five providers. Based on your insurance plan, they will tell you what your cost will be and the quality of each one of those providers. You can have complete disclosure. That would be the ultimate on how to do this because I think that's what we as consumers deserve to see.

Q: That would upend the business model significantly, wouldn't it?

A: Yeah, and it would put a lot of pressure on people for both price and quality.

Financial journalist Tom Hudson hosts "The Sunshine Economy" on WLRN-FM in Miami. Follow him on Twitter @HudsonsView.

CARLOS MIGOYA

Job title: President and CEO, Jackson Health System



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banking industry. He spent many years working for Wachovia, most recently as the regional president of Wachovia in North Carolina and the CEO for the Atlantic region.

Also: He’s involved in several community organizations, including having been foundation chairman of Florida International University and a member of the university’s Dean’s Council. For nine years, he was a director of AutoNation, and is currently chairman of the Safety Net Hospitals Alliance of Florida. He sits on the boards of the Downtown Charter School in Miami, the Beacon Council and the Untied Way of Miami-Dade. He is a member of the Florida Council of 100, an organization of business leaders.

Education: Migoya has an undergraduate degree in finance and an MBA in finance from FIU.

Personal: Avid bicyclist; he was also formerly an amateur race car driver.

About Jackson Health System: It’s a taxpayer-owned system for residents of Miami-Dade County. The system is anchored by Jackson Memorial Hospital. The system also includes two neighborhood community hospitals, Holtz Children’s Hospital, Jackson Behavioral Health Hospital, Jackson Rehabilitation Hospital, two nursing homes and numerous urgent care centers and clinics.

Website: <http://www.jacksonhealth.org/>



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