Price Transparency in the Online Age

Jonathan Kaplan, MD, MPH, FACS
Board Certified Plastic Surgeon
Becker’s ASC 23rd Annual Meeting
DISCLAIMER

Founder/CEO of KP Innovations, developer of BuildMyBod Health, a price transparency/lead generation platform
Audience Participation

1. Does your facility provide pricing on their website?

Yes or No
2. If your facility doesn’t, which statement best explains why not?

a) Worried consumers will price shop
b) Difficult to estimate cost ahead of time
c) Worried competitors will check pricing
Why do we make such a big deal about pricing?!
Audience Participation

3. Does this video describe your frustration?

Doctor’s Office Scenarios
BACKGROUND
Healthcare facilities have traditionally hesitated to provide pricing information online due to three major concerns.
Patients might price shop instead of focusing on patient-provider relationship.
Patients might price shop instead of focusing on patient-provider relationship.

Patients might not understand prices are estimates subject to adjustment or insurance.
1. Patients might price shop instead of focusing on patient-provider relationship

2. Patients might not understand prices are estimates subject to adjustment or insurance

3. Competitors could be comparing prices
## Price Transparency

**BACKGROUND**

1. Patients might price shop instead of focusing on patient-provider relationship
2. Patients might not understand prices are estimates subject to adjustment or insurance
3. Competitors could be comparing prices
BENEFITS

Using online price transparency as a tool for generating qualified leads
Patients receive pricing information they’re searching for.
A Patients receive pricing information they’re searching for

B Facilities receive contact information for follow up
A Patients receive pricing information they’re searching for

B Facilities receive contact information for follow up

C Patients don’t experience “sticker shock”
A. Patients receive pricing information they’re searching for
B. Facilities receive contact information for follow up
C. Patients don’t experience “sticker shock”
METHODS

A procedure pricing ‘widget’ containing a list of offered services was integrated into my website.
What’s a widget?
What's a widget?
San Francisco Bay Area Plastic Surgeons
30 Years Experience

Welcome to the practice of Drs. Jonathan Kaplan and Donald M. Brown, two of the most experienced and trusted plastic surgeons in the San Francisco Bay Area. At our practice, we place the comfort, safety, and satisfaction of our patients above all else. We strive to offer the most comprehensive range of cosmetic procedures possible, including many minimal incision and non-surgical options designed to restore youth and beauty to the skin, breasts, face and body.

Our office proudly features its own state-of-the-art operating room, as well as a recovery room to accommodate patients overnight when necessary.
Integrate financing options

Building Your Database

Pacific Heights Plastic Surgery
Dr. Jonathan Kaplan M.D., M.P.H, F.A.C.S.

2100 Webster Street, Suite 429
San Francisco, CA 94115
(415) 923-3005
Fax: (415) 520-2299

Procedure Name / Description / Doctor Fees

Breast Augmentation Through Under Arm Incision
Breast augmentation can be performed through an underarm incision in appropriate candidates. By using a camera through a small incision, the implant can be placed through the under arm so that there are... [More]

Breast lift (without implants)
If your breasts have more droop than you like, this procedure removes excess breast skin without implants to bring the breasts to a more youthful position. If you also want more projection to your breasts,... [More]

Doctor Fees $9,400
OR Time 5.5 hours
OR Cost $4,400
Implant Fees $1,850
Garments $300
Cosmetic Insurance $300
Total Cost $16,250

Thank You for using [name] You will receive a copy of this estimate in your e-mail. Feel free to share this with friends and family.

New Wishlist with Dr. Kaplan
Schedule Your Consultation Online

Alphaeon Credit
Financing Options to Fit Your Lifestyle
LEARN MORE

CareCredit
Apply Now
Dear Joe,
You have expressed interest in:
Breast Augmentation Through Under Arm Incision - $5,000
Breast lift (without implants) - $4,400

Total MD fees : $9,400
Total OR time : 5.5 hours
Total OR/anesthesia cost : $4,125
Total implant costs : $1,850
Total garment costs : $300
Total cosmetic insurance costs : $300

Total estimated fees : $15,975

Dr. Kaplan can be contacted by replying directly to this email, or at (415) 749-9191. You will be contacted via email at joe@gmail.com or by phone at (789) 725-9878 regarding your wishlist. You can visit Dr. Kaplan online at https://www.pacificheightsplasticsurgery.com.

To receive a 10% discount on additional surgical procedures (valid only when multiple procedures are done at the same time), simply present this wishlist at Dr. Kaplan's office, or mention that you used [hidden] to learn about their practice. (This discount applies only to physician fees, not ancillary fees).

©2014 [hidden]  
Practice Website - Thu, 02 Oct 2014 18:35:27 -0400
RESULTS
This case study follows my private practice for one year after disclosing 104 procedure prices. 1st year in a new practice in San Francisco, NO PAID MARKETING
Building Your Database

RESULTS

- Prospective Patients: 208
- Wishlists: 412
FIGURE 1

This shows that of the 208 prospects...
23 (62.2%) booked procedures
The average price per booked procedure was $4,018.16
The average price per booked procedure was $4,018.16 with a total gross of $4,018.16
FIGURE 2

The “Halo” Effect
2.8% of consumers that submitted a wishlist in the first year of practice, came in after that first year.
6 (100%) booked procedures for a total value of $26,702
FIGURE 3

This compares ‘price-aware’ patients with patients who were not aware of pricing information prior to a consultation.
Figure 3

Did not book procedures
Booked procedures

'non-price-aware patients'

44

'price-aware patients'

62.2
‘Price-aware’ patients were 41% more likely to book a procedure than ‘non-price-aware’ patients

*a revenue difference of $144,000 in a practice seeing at least 200 consults per year!
What if you introduce advertising into the mix during the subsequent year?!
Prospective Patients: 2,164
Wishlists: 4,156
Figure 4: Price Transparency

- **Did not book procedures**
  - 'non-price-aware patients': 42%
  - 'price-aware patients': 75.5%

- **Booked procedures**
  - 'non-price-aware patients': 58%
  - 'price-aware patients': 24.5%
I know what you’re thinking!

(This may work for plastic surgery, but not for the rest of healthcare)
Procedure pricing powered by BuildMyBod

Add services and/or procedures that interest you to your wishlist. Submit your wishlist to instantly receive a list of fees, giving you a cost estimate before a consultation so you know what to expect.

Procedure Name / Description | Add to Wishlist
--- | ---
**Septoplasty & turbinate reduction** | +Add

**Nasal fracture repair, closed** | +Add

**Septoplasty & turbinate reduction with scope** | +Add

**Septoplasty**
Repair of septum inside the nose when the septum is deviated to one side and makes breathing more difficult.

**Septoplasty & turbinate reduction - maxillary** | +Add

**Nasal fracture repair, open** | +Add
Procedure pricing powered by BuildMyBod

Add services and/or procedures that interest you to your wishlist. Submit your wishlist to instantly receive a list of fees, giving you a cost estimate before a consultation so you know what to expect.

<table>
<thead>
<tr>
<th>Procedure Name / Description</th>
<th>Add to Wishlist</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upper Eyelid Lift, both eyes</strong></td>
<td>+Add</td>
</tr>
<tr>
<td>This procedure removes extra upper lid skin and can be done under general or local anesthesia.</td>
<td></td>
</tr>
<tr>
<td><strong>Removal of Cyst (chalazion) to Upper Eyelid</strong></td>
<td>+Add</td>
</tr>
<tr>
<td>Removal of cyst from the upper eyelid with our without sedation.</td>
<td></td>
</tr>
<tr>
<td><strong>Iris drainage tract creation (iridotomy or iridectomy) by YAG laser</strong></td>
<td>+Add</td>
</tr>
<tr>
<td><strong>Secondary intraocular lens (IOL) implant</strong></td>
<td>+Add</td>
</tr>
<tr>
<td><strong>Cornea tissue (pterygium) removal</strong></td>
<td>+Add</td>
</tr>
<tr>
<td><strong>Cataract Surgery</strong></td>
<td>+Add</td>
</tr>
</tbody>
</table>
Procedure pricing powered by BuildMyBod

Add services and/or procedures that interest you to your wishlist. Submit your wishlist to instantly receive a list of fees, giving you a cost estimate before a consultation so you know what to expect.

Help Me Choose

### Procedures

<table>
<thead>
<tr>
<th>Procedure Name / Description</th>
<th>Add to Wishlist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epidural Injection for Pain Relief - Neck Bones (cervical)</td>
<td>+Add</td>
</tr>
<tr>
<td>For some types of spinal pain, your doctor can injection medication to provide short or long term pain relief.</td>
<td></td>
</tr>
<tr>
<td>Epidural Injection for Pain Relief - Facet Joint (cervical)</td>
<td>+Add</td>
</tr>
<tr>
<td>Epidural Injection for Pain Relief - Lower Back (lumbar)</td>
<td>+Add</td>
</tr>
<tr>
<td>For some types of spinal pain, your doctor can injection medication to provide short or long term pain relief.</td>
<td></td>
</tr>
<tr>
<td>Epidural Injection for Pain Relief - Facet Joint (lumbar)</td>
<td>+Add</td>
</tr>
</tbody>
</table>

### Injectables

<table>
<thead>
<tr>
<th>Procedure Name / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sympathetic Injection, Lumbar (lower) Spine</td>
</tr>
</tbody>
</table>
Procedure pricing powered by BuildMyBod

Add services and/or procedures that interest you to your wishlist. Submit your wishlist to instantly receive a list of fees, giving you a cost estimate before a consultation so you know what to expect.

<table>
<thead>
<tr>
<th>Procedure Name / Description</th>
<th>Add to Wishlist</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brow Lift (Endoscopic)</strong></td>
<td>+Add</td>
</tr>
<tr>
<td>For heavy brows that fall over the eyes, a brow lift can restore the brows to their appropriate position. This type of brow lift is performed through a small incision in the scalp with a small... [More]</td>
<td></td>
</tr>
<tr>
<td><strong>Removal of Cyst to Upper Eyelid (chalazion)</strong></td>
<td>+Add</td>
</tr>
<tr>
<td>Removal of cyst from the upper eyelid with our without sedation.</td>
<td></td>
</tr>
<tr>
<td><strong>Iris drainage tract creation (iridotomy or iridectomy) by YAG laser</strong></td>
<td>+Add</td>
</tr>
<tr>
<td><strong>Cornea tissue (pterygium) removal</strong></td>
<td>+Add</td>
</tr>
<tr>
<td><strong>Upper and Lower Lid Lift</strong></td>
<td>+Add</td>
</tr>
<tr>
<td>If you need excess skin and/or fat removed from both the upper and lower lids, these procedures can be done...</td>
<td></td>
</tr>
</tbody>
</table>
**Price Transparency**

Diagnostic Center

Procedure pricing powered by BuildMyBod

Add services and/or procedures that interest you to your wishlist. Submit your wishlist to instantly receive a list of fees, giving you a cost estimate before a consultation so you know what to expect.

**Procedure Name / Description**

- MRI of Brain or Brain Stem without contrast
- MRI of Brain or Brain Stem with and without contrast
- MRI of Cervical Spine, with and without contrast
- MRI of Cervical Spine, without contrast
- Arthrogram - shoulder
- MRI of Upper Extremity joint with contrast

**Add to Wishlist**

- +Add

**Human Body Model**

Procedures will highlight on the body.
Building Your Database

What do you do with all those leads?!  
(Grew from 200 email addresses to 5,000 in three years!)

1. Office staff follows up with everyone

2. Sync them to your email marketing database
   - MailChimp
   - Constant Contact
   - Campaign Monitor

<table>
<thead>
<tr>
<th>Contacts</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 500</td>
<td>$20/ mo</td>
</tr>
<tr>
<td>501 - 2500</td>
<td>$35/ mo</td>
</tr>
<tr>
<td>2501 - 5000</td>
<td>$55/ mo</td>
</tr>
<tr>
<td>5001 - 10000</td>
<td>$85/ mo</td>
</tr>
</tbody>
</table>
What do you do with all those leads?!

Leads through “contact submission” form on website vs wishlists submitted to automatically check pricing

Website Inquiries

Users submitting wishlists

May 2016

74

2765
Price Transparency in the Online Age

Jonathan L. Kaplan, MD, MPH,* and Parker H. Mills, PhD†

Abstract: Plastic surgeons are sometimes hesitant to provide their pricing information online, due to several concerns. However, if implemented right, price transparency can be used as a lead generation tool that provides consumers with the pricing information they want and gives the physician the consumer’s contact information for follow-up.

This study took place during the author’s first year in private practice in a new city. An interactive price transparency platform (ie, cost estimator) was integrated into his website, allowing consumers to submit a “wish list” of procedures to check pricing on these procedures of interest. However, the consumer must submit their contact information to receive the desired breakdown of costs that are tailored based on the author’s medical fees.

During that first year, without any advertising expenditure, the author’s website received 412 wishlists from 208 unique consumers. Consumers (17.8%) that submitted a wishlist came in for a consultation and 62% of those booked a procedure. The average value of a booked procedure was over US $4000 and cumulatively, all of the leads from this one source lead to that first year generated over US $92,000 in revenue.

When compared with non-price-aware patients, price-aware patients were 41% more likely to book a procedure. Price transparency led to greater efficiency and reduced consultations that ended in “sticker shock.” When prudently integrated into a medical practice, price transparency can be a great lead generation source for patients that are (1) paying out of pocket for medically necessary services due to a high-deductible health plan or (2) paying for services not typically covered by insurance.

Plastic surgery represents the microcosm of changes that will soon affect the greater health care marketplace. Consumers are factoring cost into their choice of healthcare provider—one reason why health care providers and plastic surgeons have been hesitant to provide pricing information online.

Plastic surgeons have traditionally avoided providing pricing information online due to 3 major concerns: (1) patients might price shop instead of focusing on surgeon relationship, (2) patients might not understand prices are estimates subject to adjustment based on their body habitus, and (3) competitors could be comparing prices. These concerns are difficult to confirm or quantify, because they involve private behaviors.

Despite these concerns, there are benefits to price transparency, through using an online cost estimator as a tool for lead generation: (A) patients receive pricing information they seek, (B) plastic surgeons receive contact information for follow-up, and (C) patients schedule consults only after having realistic price expectations.

This yearlong study sought to demonstrate that online price transparency can be beneficial to both consumer and provider—and not only for cosmetic patients, but also for those seeking any healthcare service.

METHODS
Promos and BuyNow
Botox® / Dysport® / Xeomin® Injection - Forehead and Between Eyebrows

Pacific Heights Plastic Surgery - Office of Dr. Jonathan Kaplan

Botulinum to the forehead and in between the eyebrows relaxes the muscles that cause wrinkles in this area. Lasts 3-6 months. The disc...

Buy Now!

You must log in to view prices for Buy Now Promos.

Buy Me

Gift Me!
300+ Online Purchases

TOTAL = $75,000+
Additional Benefits
1 Improve your front office processes

- Capture contact info with incoming calls
- Sync leads with your email database
  - build a database from 200 to 5,000 email addresses in 3 years
  - Constant Contact, MailChimp, Campaign Monitor
Stats from most recent eblast:
(measured within 12 hours of eblast distribution)

- Sent to 5,000 email addresses (grown from 200 addresses in 3 years)
- Four online bookings
- 17 wishlists submitted (3 new leads, 14 re-engaged consumers)
- No emails marked as spam
- 19 (0.42%) unsubscribed
- 20.73% open rate, 15.82% click rate
1. *Improve your front office processes*

- Capture contact info with incoming calls
- Sync leads with your email database
  - Build a database from 200 to 5,000 email addresses in 3 years
  - Constant Contact, MailChimp, Campaign Monitor
- Integrate financing options
Lead Gen & eCommerce
Integrate financing options

Pacific Heights Plastic Surgery
Dr. Jonathan Kaplan M.D., M.P.H., F.A.C.S.

2100 Webster Street, Suite 429
San Francisco, CA 94115
(415) 923-3005
Fax: (415) 520-2299

Procedure Name / Description / Doctor Fees

Breast Augmentation Through Under Arm Incision
Breast augmentation can be performed through an underarm incision in appropriate candidates. By using a camera through a small incision, the implant can be placed through the under arm so that there are... [More]

Breast Lift (without implants)
If your breasts have more droop than you like, this procedure removes excess breast skin to bring the breasts to a more youthful position. If you also want more projection to your breasts,... [More]

Doctor Fees $9,400
OR Time 5.5 hours
OR Cost $4,400
Implant Fees $1,850
Garments $300
Cosmetic Insurance $300
Total Cost $16,250

Thank You for using [Redacted]. You will receive a copy of this estimate in your e-mail. Feel free to share this with friends and family.

New Wishlist with Dr. Kaplan
Schedule Your Consultation Online

Alphaeon Credit
Financing Options to Fit Your Lifestyle
LEARN MORE

CareCredit
Apply Now
Additional Benefits

1. **Improve your front office processes**
   - Capture contact info with incoming calls
   - Sync leads with your email database
   - Integrate financing options
   - Do all of your website contact submission forms ask about price?!

2. **Reduce consults that end in “sticker shock”**

3. **Educate the patient**
Don’t just drive traffic to your website, give them a reason to leave their contact info

“You can’t follow a click”

1. Mention that online pricing is available in all your advertising
2. Better than buying an email list
Don’t just drive traffic to your website, give them a reason to leave their contact info

“You can’t follow a click”

3  SEO “truth serum”

Improved metrics - Visitors from search engines who arrive on the embedded Pricing Page vs the rest of the doctor’s site:

• Are twice as likely to stay and browse the site (61% vs 36%)
• Browse the site twice as long (3.43 min vs 1.63 min)
• Browse 33% more pages across the site (3.18 pages vs 2.40 pages)
Marketing Your Price Transparency

• Add a “Get a quote” button within your website
Marketing Your Price Transparency

- Add a “Get a quote” button within your website
Marketing Your Price Transparency

• Every piece of advertisement/marketing should mention that pricing is available on your website
  • Home page of website
  • Blog posts
  • Social media
  • TV
  • Print
Blog Posts

Pacific Heights Plastic Surgery
Dr. Jonathan Kaplan M.D., M.PH, F.A.C.S.

Home About Procedures Skin Specials Pricing Reviews Photos Blog Contact

Home > Archive by category 'Blog'

Bruising After Surgery
On July 15th, 2015 / No Comments »
From the same patient that inspired me to write this and this, that same patient has also inspired me to write the post below for your reading pleasure. Bruising after surgery – it’s not unexpected but how much is too much. And how do you know when it’s bad enough to call or email your [...] read more

THE Aesthetic Show
On July 13th, 2015 / No Comments »
Do you recognize the guy on the left? That’s Dr. Andrew Ordon, the plastic surgeon on the Emmy-nominated show, The Doctors. I met him this past weekend while presenting at THE Aesthetic Show in Las Vegas. I presented on one of my favorite topics – price transparency in healthcare. Using the platform that I [...] read more
Marketing Your Price Transparency

Social Media

Pacific Heights Plastic Surgery - Drs Donald M Brown and Jonathan L Kaplan

Procedures
- Forehead reduction
  Reduces the height of an overly large forehead.
- Brow lift
  For heavy brows that fall over the eyes, a brow lift can restore the brows to their appropriate position.
- Upper Eyelid Lift - Local Anesthesia Only
  If you have excess upper eyelid skin, this procedure can remove that skin and give...
TV Advertising
CONCLUSION
Interactive lead generation platform using price as the “carrot” to collect complete contact info

Build your email database for future email marketing (200 to over 5,000 in under 3 years!)

With an e-commerce platform for non-surgical services capture dollars, not just leads!

Don’t “give away the milk for free,” get something in return and get more serious patients

Capture cosmetic patients as well self-pay patients with HDHP’s
Introducing…

Pricing Assistant!
Make sure you’re getting paid what you’re worth!

<table>
<thead>
<tr>
<th>Display Name</th>
<th>Type</th>
<th>Gender</th>
<th>Physician Fee ($)</th>
<th>Implants Fee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epidural Injection for Pain Relief -</td>
<td>Injectables</td>
<td>All</td>
<td>900</td>
<td>0</td>
</tr>
<tr>
<td>Neck Bones (cervical)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pricing Assistant!</th>
<th>USA Avg: $1038.14</th>
<th>Below Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Avg: $971.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK Avg: $1000</td>
<td>$100 Below Avg</td>
<td></td>
</tr>
<tr>
<td>73114 Avg: $1000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Epidural Injections to the Cervical Spine
Make sure you’re getting paid what you’re worth!

Bilateral Lower Extremity Ultrasound

Display Name
Ultrasound, lower or upper extremity veins

Type
Services

Gender
All

Physician Fee ($)
300

Ancillary Fees ($)
0

USA Avg: $285
$15 Above Avg

South Avg: $313.33
$13.33 Below Avg

TX Avg: $312.5
$12.5 Below Avg
Make sure you’re getting paid what you’re worth!

Arthroscopic ACL Reconstruction
Make sure you’re getting paid what you’re worth!

**Lumbar Laminectomy**

- **Display Name**: Laminectomy, lumbar, 1 level
- **Type**: Procedures
- **Gender**: All
- **Physician Fee ($)**: 7900
- **Implants Fee ($)**: 0
- **Cosmetic Insurance / Tax (if applicable) ($)**: 0

**USA Avg**: $9945.83
**Below Avg**: $2045.83

**South Avg**: $9333.33
**Below Avg**: $1433.33

**OK Avg**: $8900
**Below Avg**: $1000

**Avg**: $8900
**Avg**: $1000
Make sure you’re getting paid what you’re worth!

Breast Augmentation Pricing Assistant

<table>
<thead>
<tr>
<th>Display Name</th>
<th>Breast Augmentation (Silicone Implants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Procedures</td>
</tr>
<tr>
<td>Gender</td>
<td>Female</td>
</tr>
<tr>
<td>Physician Fee ($)</td>
<td>2200</td>
</tr>
<tr>
<td>Implants Fee ($)</td>
<td>1850</td>
</tr>
<tr>
<td>Cosmetic Insurance / Tax (if applicable) ($)</td>
<td>300</td>
</tr>
<tr>
<td>Operation Time (Hours)</td>
<td>0.0h</td>
</tr>
<tr>
<td>USA Avg.</td>
<td>$6277.67</td>
</tr>
<tr>
<td>West Avg.</td>
<td>$6449</td>
</tr>
<tr>
<td>CA Avg.</td>
<td>$6511.1</td>
</tr>
<tr>
<td>94115</td>
<td>$4800</td>
</tr>
</tbody>
</table>

Breast Augmentation
Audience Participation

3. Based on this presentation, are you more likely to offer pricing online if you can get consumer contact info first?

Yes or no
PRICE TRANSPARENCY

QUESTIONS