WANT A WINNING STRATEGY?
Sg2 can help. Read our full report or reach out to us at learnmore@sg2.com.

PRICING PRECISION
Provider systems are feeling mounting pricing pressure. Increased commoditization of the product, lower brand loyalty and growing price sensitivity are changing the playing field.

255% 
$1
Rise in the average deductible for covered workers since 2006

56% 
$3
Consumers actively seeking pricing information prior to care

PRICE DISPARITY
FOR A MAMMOGRAM

One in ten Sg2 survey respondents view their historic prices as on target for their market

One-third Sg2 survey respondents willing to cut prices more than 10% for narrow network inclusion

WHAT’S THE RIGHT PLAY FOR BETTER PRICING STRATEGY?

Don’t get penalized by an outmoded price structure. Put down your old playbook, and learn the new rules of the game.

OLD RULES
Maximize commercial contract rates to offset reimbursement shortfalls from public payers

Base degree of discount on insurer size

Give across-the-board discounts off standard chargemaster

Position high-volume services for high margins

Establish pricing at market level

NEW RULES
Formulate strategic pricing to maximize attributed lives

Base degree of discount on partnerships for broad range of plan offerings

Make service-specific adjustments based on price sensitivity

Price high-volume services defensively

Establish pricing at system level to improve positions with regional players

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PRICE DISPARITY
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$485 Sacramento

$120 Tulsa

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