



# UNITED STATES of CARE

## PROMOTING HOSPITAL PRICE TRANSPARENCY TO INFORM *Patients and Policymakers*

People are increasingly feeling their budgets squeezed due to high health care costs. As hospitals and health systems consolidate, they're able to charge higher prices that are passed on to people in the form of higher premiums and cost sharing, forcing many to choose between seeking needed care and providing other daily necessities, such as food or childcare. Those who do end up seeking care often do so without knowing its true cost as hospitals, health systems, and other providers have resisted being transparent about the prices they charge. Without this basic information, even those with health insurance often find it nearly impossible to plan for these costs, leading some to skip care altogether.

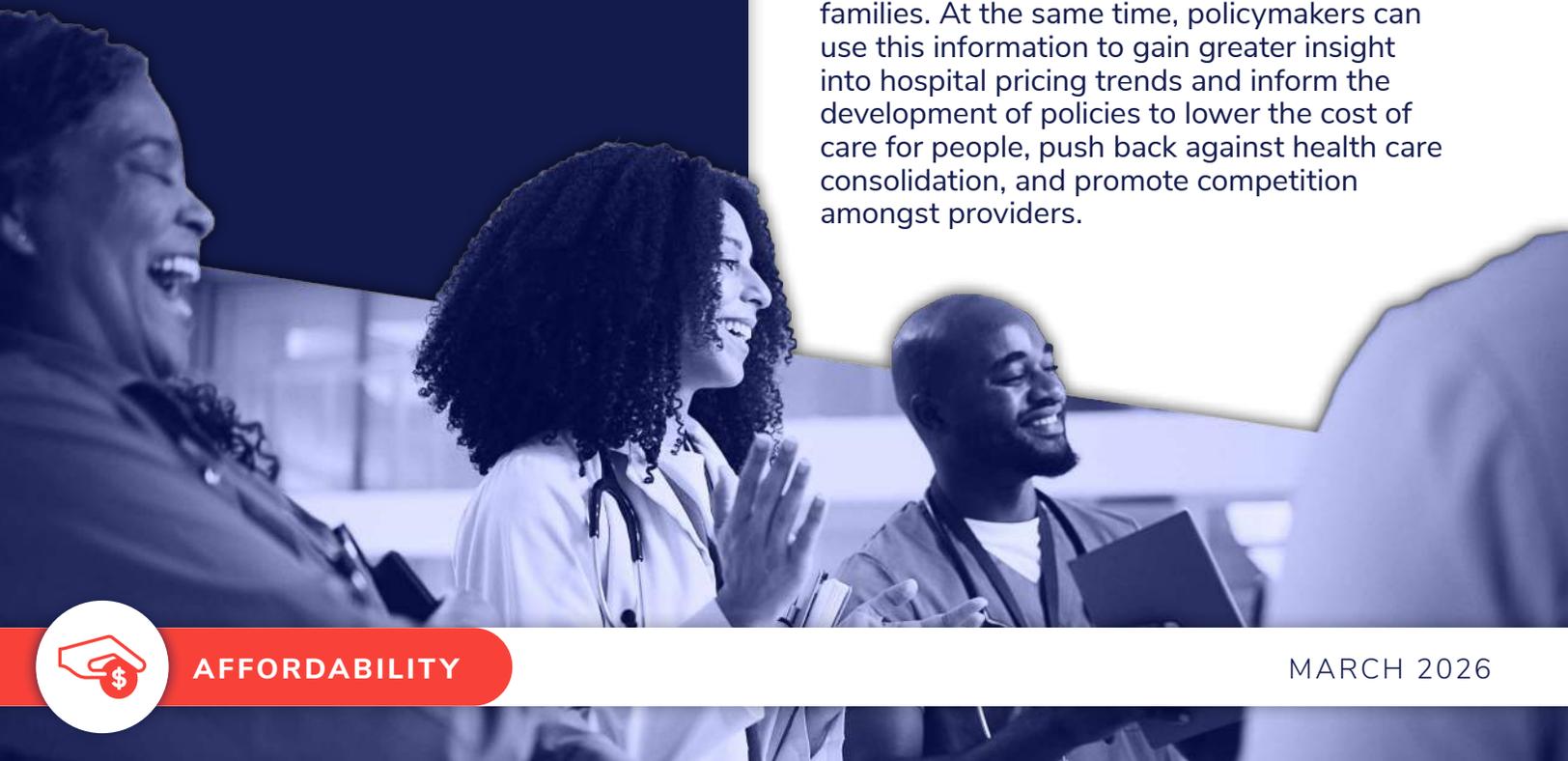
## A SOLUTION: HOSPITAL PRICE TRANSPARENCY

Despite good-faith reform efforts, the health care system remains complex and difficult to understand. Despite federal efforts to promote hospital price transparency, patients remain as confused as ever by a health care system that is designed to confuse. More than five years after federal rules first required hospitals to post the prices of hundreds of everyday services on their websites, only one-in-five hospitals are fully compliant with the rules, leaving patients in the dark about the true cost of hospital care.

Many states have taken action to promote price transparency to provide patients with the information needed to make educated health care decisions for themselves and their families. By making this information available and transparent, policymakers are also able to use this data to pursue additional cost-savings solutions that can ultimately lower the underlying cost of care and deliver savings for people, employers, and state budgets.

## BENEFITS OF HOSPITAL PRICE TRANSPARENCY

Americans are united across political affiliation in demanding greater hospital price transparency that would allow them to compare prices across facilities and make informed decisions about where to seek care for themselves and their families. At the same time, policymakers can use this information to gain greater insight into hospital pricing trends and inform the development of policies to lower the cost of care for people, push back against health care consolidation, and promote competition amongst providers.



# STATE HOSPITAL PRICE TRANSPARENCY APPROACHES

States have a variety of options to promote price transparency in ways that fit their own individual needs and reflect unique dynamics in-state:

- **Codifying federal rules:** States can replicate federal rules in state law to further facilitate hospital adoption of these requirements, tie them to other state affordability and transparency goals, and protect them against any rollbacks on the federal level. Providing agencies or state Attorneys General their own oversight authority ensures hospitals are delivering on making prices more transparent.
- **Promoting hospital compliance:** Because federal agencies have been, at times, reluctant to enforce the rules, states can impose additional financial penalties and enforcement mechanisms, such as revocation of licensures, to improve hospital compliance. States can also prohibit hospitals from engaging in certain actions, such as medical debt collection, until they are fully compliant with price transparency rules.
- **Promoting transparency beyond federal rules:** States can require hospitals to make public additional prices and fees not captured in federal price transparency rules, like facility fees, as well as more general financial and pricing methodologies, such as how rates are negotiated with insurers.

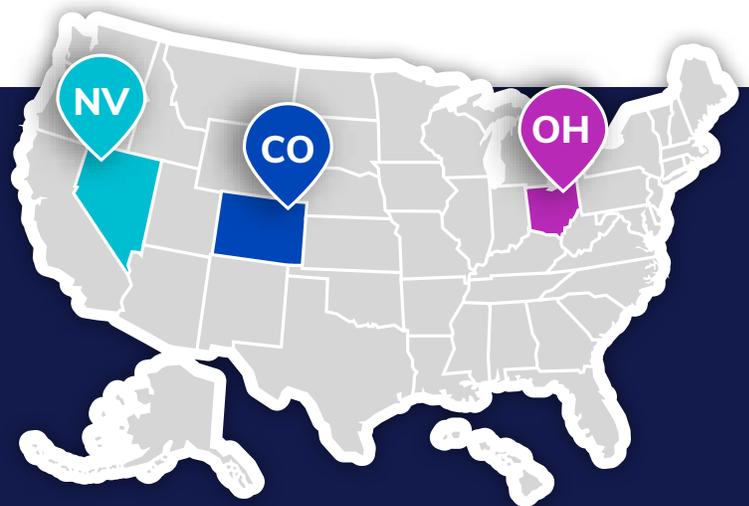
## STATE SUCCESSES

The following states' policies represent unique, tailored solutions that allow people and policymakers the information needed to make informed decisions about health care pricing:

**Colorado**, which passed legislation to codify federal price transparency rules into state code, also prohibits hospitals from pursuing debt collection or reporting patients to a credit agency if hospitals aren't compliant with the price transparency rules.

**Nevada**, which passed a bill codifying federal price transparency rules into state law, also requires hospitals to report on facility fee charges, including the top services subject to facility fees and the total amount of revenue gained through facility fees.

**Ohio** passed a bill building upon federal price transparency rules requiring hospitals to post "real dollar" prices for all services and establishing strict data protections for people using hospitals' price estimator tools.



See [here](#) for a full list of states with similar policies

## MOVING FORWARD

Momentum is growing on both the federal and state levels to build upon existing efforts to promote hospital price transparency. At the same time, third parties have begun to leverage existing information to aggregate and simplify hospital pricing data for patients to supplement legislative and regulatory efforts. While price transparency alone won't solve the health care affordability crisis, it provides policymakers with the data needed to pursue further solutions that will save money for people, employers, and state budgets.

