



Promoting Hospital Price Transparency

AHA View

Consumers and their families deserve meaningful information about the price of their hospital care, and America's hospitals are committed to providing it. But more can, and should, be done to share health care information with the public, including, but not limited to, hospital pricing information. The AHA and its members stand ready to work with consumer groups and payers on innovative ways to build on efforts already occurring at the state level, and share information that helps consumers make better choices about their health care.

Background

Over the past several years, there has been considerable attention paid to the issue of health care price transparency. While public focus on this issue is not new, trends in the health care marketplace are highlighting its importance. What consumers must pay for health care has long been an issue for the uninsured, but growing enrollment in plans with higher levels of deductibles and coinsurance is creating a greater demand for meaningful price information for insured patients as well. Employers have been moving in this direction for a number of years. Newly insured individuals under the Affordable Care Act are choosing “bronze” and “silver” plans that include significant levels of cost sharing.

Board Policy

The AHA Board of Trustees has adopted a policy calling for information to be presented in a way that:

- is easy to access, understand and use;
- creates common definitions and language describing hospital pricing information for consumers;
- explains how and why the price of patient care can vary;
- encourages patients to include price information as just one factor to consider when making decisions about hospitals and health plans; and
- directs patients to more information about financial assistance with their hospital care.

The AHA believes that the path to price transparency has four parts:

- 1) Expanding existing state transparency efforts so that state governments, working with their state hospital associations, make hospital price information available to consumers;
- 2) Increasing health plan transparency – health plans should serve as the go-to source for the insured, providing enrollees with information about out-of-pocket costs based on their benefit structure, using a uniform glossary of terms written in plain English;
- 3) Ensuring providers and insurers agree on consumer-friendly pricing language – common terms, definitions and explanations to help consumers better understand the information provided; and
- 4) Engaging in further research to determine what consumers find useful.

Key Priorities **Expanding State-based Efforts**

The AHA supports state-based efforts regarding price transparency, including the Health Care Price Transparency Promotion Act, which would require states to have or establish laws requiring hospitals to disclose information on charges for certain inpatient and outpatient services, and require health insurers to provide to enrollees upon request a statement of estimated out-of-pocket costs for particular health care items and services. Introduced by Reps. Michael Burgess (R-Texas) and Gene Green (D-Texas), the legislation also would require the Agency for Healthcare Research and Quality to study the types of health care cost information that consumers find useful, and the ways it might best be distributed.

Multi-Stakeholder Process

In 2014 the AHA participated in a multi-stakeholder task force convened by the Healthcare Financial Management Association (HFMA) to address price transparency. The task force's report includes a set of principles as well as specific action steps required to achieve greater transparency. The report makes clear that achieving a more transparent system is a multi-stakeholder issue and will require consensus among hospitals, physicians and other care providers; the pharmaceutical and medical device industries; commercial and government payers; employers; patients and consumer advocates; and regulatory agencies to develop a workable, meaningful solution. In April 2014, the task force issued recommendations for health plans, health care providers and others, and a guide to help consumers estimate the cost of care. The AHA Board endorsed the principles and recommendations of the HFMA report.