

Transparency in Pricing as the Great Equalizer

David Balat

Texas Public Policy Foundation

NCOIL Annual Meeting
2022



American People continue to want HealthCare Price Transparency



of registered voters support the federal government requiring hospitals to post their prices so everyone can see the fees.



of voters believe the Biden Administration should hold hospitals and health insurance companies accountable.



of voters support immediate implementation of the federal Transparency in Coverage rule, which requires all healthcare insurance companies to disclose their prices



responding that healthcare is a "major concern" follows only inflation (68%) and the economy (66%) in the eyes of registered voters.

[Poll Link](#)

Standard charges must be posted two ways:

1

Machine Readable File

Single machine-readable digital file containing the following standard charges for all items and services provided by the hospital: gross charges, discounted cash prices, payer-specific negotiated charges, and de-identified minimum and maximum negotiated charges.

For additional details on this requirement refer to 45 CFR §180.50.

&

2

Consumer-friendly Display of Shoppable Services

Display of at least 300 “shoppable services” (or as many as the hospital provides if less than 300) that a health care consumer can schedule in advance. Must contain plain language descriptions of the services and group them with ancillary services, and provide the discounted cash prices, payer-specific negotiated charges, and de-identified minimum and maximum negotiated charges.

For additional details on this requirement, including the use of price estimator tools, refer to 45 CFR §180.60.

Hospital Price Transparency

Empowering patients with the necessary information to make informed health care decisions.

[CMS Link](#)



6/16/2022 AHA Blog Post by Ariel Levin entitled

“Hospitals and Health Systems Are Working to Implement Price Transparency Policies and Help Patients Understand Costs”

The AHA is supporting this activity by highlighting tools that aid patients and align with the new federal price transparency policy. The first requirement of the policy includes a provision around “shoppable services” that can be met through the use of a patient cost estimator tool, an approach that has been widely adopted. Hospitals and health systems have been able to increase adoption of these tools due largely to growth in the availability of technological resources at multiple price points and with increased functionality. In particular, this “next generation” of price transparency tools are easier for hospitals to implement and for consumers to navigate.

[Link](#)

Hospital: Ascension Seton Medical Center Austin EIN: 74-1109643							
Facility_BU_ID	Code_Type	Code	Description	Gross_Charge	Cash_Charge	Min_Negotiated_Rate	Max_Negotiated_Rate
30002	2-CPT	71046	X-RAY EXAM CHEST 2 VIEWS	679.5	285.39	26.4	679.5

[Ascension Price Transparency MRF](#)

An estimate for this service and/or plan cannot be calculated at this time.

Please contact us at [512-324-3165](tel:512-324-3165) for help getting an estimate.

- The number posted was picked up by the surgical pre-op department that in turn had to transfer to the appropriate department.
- I was then transferred to the imaging department and the X-Ray tech couldn't assist. I was then transferred to the price transparency line.
- The representative then asked for my name, DOB, and type of insurance –to which I expressed that I am a cash patient- before quoting me a price of \$1,176.00 but they offer a cash discount that brings it to \$494.00

The Methodist Hospital (Houston, TX)

Description	CDM Rev Code	CDM HCPCS	Standard Charge	Discounted Cash Price
CHEST 2 VIEWS	324	71046	\$ 1,087.00	\$ 543.50



Estimate for Chest X-ray; 2 Views

This is an estimate for services at Houston Methodist. If you would like to schedule an appointment, or request more information, please call customer service at 832-667-6291.

You Pay

Reference #2343962

\$544

Subtotal ⓘ	\$1,087
Discount ⓘ	-\$544



Coverage Information

No insurance (self-pay)

The Methodist Hospital (Houston, TX)

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MRF - .JSON Format

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Unexpected Surprises

- Estimator only addresses “shoppable services”
- Technical Only
- Facility Fees (CPT Q3014 with POS 22)
- Unexpected Add-On

Symptoms of Opacity

Difficulty Affording Healthcare

- About half of U.S. adults say they have difficulty affording health care
- 4 in 10 U.S. adults have delayed or gone without medical care in the last year due to costs
- A substantial share are adults 65 or older especially services not covered (hearing & dental)

Difficulty Affording Medication

- About a quarter of adults say they or a family member have not filled Rx
- Skipping pills or cutting pills in half are being reported due to cost barriers
- Many of these have attempted to purchase medications outside of the U.S.

Medical Debt & Bankruptcy

- Over 60% of those that are bankrupt due to medical debt have insurance
- 44% of U.S. adults worry about affording their deductible before insurance kicks in
- During record inflation (2022), more adults are concerned about affording medical costs

Expected Solutions

- Price estimates in advance of any scheduled service for patients within 24 hours of request
- Estimate should be binding barring any documented complications
- Failure to provide estimates in advance of service will result in a forfeiture to collect any balance from the patient
- Forfeiture also means hospital may not aggressively collect, report to credit bureaus or litigate patients

Hospitals to Congress

"America's hospitals and health systems are facing crushing financial challenges."

"The [billions] in financial support during COVID... just barely kept the field afloat..."

"As the growth in cost have outpaced growth in revenue... hospital [margins continue to be negative..."



Hospitals to Investors and Market

Tenet Health – Q2 '22 Earnings Call: "[Tenet subsidiary] USPI's EBITDA grew 15%, and IBITDA margin strong at 41%... With surgical cases at 100% of pre-pandemic levels..."

"Ascension plans to double its current footprint of 61 surgery centers across the country." 2021 JP Morgan Chase Conference

"In 2021 alone, the company invested \$469 million of its capital into new outpatient services..." CEO Q4 2021 Earnings Call

"We have continued to prioritize growth..." CEO Common Spirit 2021"

74% of physicians were hospital or corporate owned by January 2022, a growth of 29% from 1/1/2019

"Healthcare merger and acquisition revenue hit a record high in the second quarter of 2022, with 13 transactions generating \$19.2 billion..." Kaufman Hall's [M&A Quarterly Activity Report](#)

Building Projects Announced in 2022:

- \$2.1B Mass Brigham
- \$1.5B UPMC
- \$2B Cooper Health Systems
- \$3.75B UC Davis
- \$3.4B CHOP
- \$1.8B Ohio State Wexner Medical Ctr.
- \$1.6B Indiana University Health

Q&A

David Balat

LinkedIn: www.linkedin.com/in/DavidBalat/

Twitter: @DavidBalatHC

Email: DBalat@TexasPolicy.com