CA Hospitals Are Committed to Helping Patients Understand Health Care Costs

The Issue
Consumers should have access to information that helps them assess the overall value of health care services — including accurate out-of-pocket cost estimates and reliable data about quality.

Giving patients access to information about both quality of care and out-of-pocket costs allows them to make better health care decisions. This information must be relevant, user-friendly, and understandable.

California hospitals have committed to helping consumers understand their out-of-pocket costs in a variety of ways, including online tools to inform patients about what they can expect to pay for a common list of “shoppable” services. In addition, state law requires hospitals, upon request, to provide patients with a good faith estimate of their expected out-of-pocket costs.

California’s hospitals also lead the nation in:
- Protecting patients from both “balance billing” (when a health insurer only partially pays a hospital and the hospital bills the patient for the amount due) and “surprise billing” (when patients receive services from an out-of-network physician, despite having received care at an in-network hospital)
- Providing clear, written discount and charity care policies to help low-income patients who are uninsured or underinsured obtain services at discounted prices

What’s Needed
Improving access to easily understood information about health care quality and expected out-of-pocket costs for services must be a shared effort that includes not just hospitals, but also physicians and, most importantly, our health insurance plan partners.

Providers do not always have up-to-date and readily available access to detailed information about patients’ insurance benefits and cost-sharing. Insurers should leverage technology to develop tools that give patients accurate and timely information about their expected out-of-pocket costs, and those tools should be accessible to providers.