

CHA Key Messages

Health Care Costs Should Be Understandable, Meaningful for Consumers

- 1. California hospitals are committed to price transparency — leading the nation in helping consumers understand their out-of-pocket health care costs.**
 - State law requires California’s hospitals to provide patients with a good faith estimate of their expected out-of-pocket costs for any planned health care service. Few states have such a requirement.
 - Many hospitals have developed innovative online tools that give patients specific information on their expected out-of-pockets costs based on their planned procedure and insurance plan requirements (e.g. deductibles, co-payments, etc.).
 - California hospitals also are leaders in providing clear, written discount and charity care policies to help uninsured or underinsured patients obtain services at discounted prices.
- 2. Health care consumers should receive accurate, relevant information to help them assess the overall value of a health care service — including out-of-pocket cost estimates and information about quality and patient outcomes.**
 - Patients — even those with good health insurance — often face confusing or overwhelming bills for the care they receive.
 - Giving patients access to information about both quality of care and their out-of-pocket costs helps them to make more informed health care decisions.
 - This information should be relevant, user-friendly, and presented in a format that consumers can understand.
- 3. A new federal regulation requiring hospitals to publicize payer-specific negotiated payment rates with health plans *will not* achieve the goal of providing patients with useful price information.**
 - The payment rates negotiated between hospitals and the numerous insurers they contract with can vary dramatically based on a number of factors, including the volume and health needs of the patients covered by each insurer.
 - Requiring hospitals to provide detailed information on the thousands of negotiated payment rates with insurers does nothing to help consumers understand their *out-of-pocket costs* for the care they will receive.

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- Hospitals stand ready to work with state and federal officials to identify solutions that will provide patients with the information they need to make informed health care decisions and know what their expected out-of-pocket costs will be.

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