

## Resources on Price Transparency and Value for Teaching Hospitals

# PRICE TRANSPARENCY IN TEACHING HOSPITALS

Increasingly, patients want to know what out-of-pocket costs they will incur for the health care services they receive. Yet they see a variety of dollar amounts on insurance company statements, on bills from hospitals and physicians, and even in newspapers. These amounts often can't be compared easily, appear to contradict one another, and are a source of great confusion to patients.

In the interest of reducing confusion and empowering patients to make informed decisions about the health care services they receive, the Association of American Medical Colleges (AAMC) recommends that (1) providers, insurers, and policymakers use the same terms when discussing health care charges, prices, costs, and value, and (2) all health care providers and insurers use a consistent framework for presenting information so that patients can effectively evaluate what a particular dollar amount means.

The academic medical center (AMC) community supports the principle of accountability through providing transparent prices and quality data to patients. However, data about prices, charges, and costs that are not compared using the same vocabulary or that are not placed in an appropriate context may cause more confusion than clarity to the question of how patients can identify out-of-pocket costs and determine the value of the services they are receiving.

For charges, prices, costs, and value to be comparable and understood, the AAMC recommends that providers give patients information that allows them to answer these two questions:

- What is the charge buying (type of service over what period of time)?
- What is the value of the product or service?

These resources are for teaching hospitals to use as they work toward price transparency. They include common definitions that the AAMC encourages all teaching hospitals to adopt, a bibliography of price transparency news articles to provide context for the issue, a summary of state price transparency laws, a brief history of the hospital charge master (a comprehensive list of procedures and products that are billable to a hospital patient or the patient's health insurance provider), and a summary of existing consumer research on price transparency. In addition, the AAMC's price transparency website provides case studies from institutions that are leaders in price transparency and in educating the next generation of physicians on health care cost and value ([www.aamc.org/pricetransparency](http://www.aamc.org/pricetransparency)). If your institution is innovating in this area, the AAMC encourages you to submit a case study.

## **BRIEF HISTORY OF THE HOSPITAL CHARGE DESCRIPTION MASTER (“CHARGE MASTER”)**

The hospital charge description master, or “charge master,” is a list of procedures and products representing 100 percent of services used by patients in a hospital setting. The use of charge masters began in the early 1950s with the advent of indemnity insurance products; in this environment, hospital rates were set based on billed charges for individual services.<sup>1</sup> As the health insurance industry matured, hospitals moved to payments based on negotiated rates, and the billed charges expressed in the charge master remained largely as a rate schedule for those patients who were private pay or uninsured. Although the charge master has come under attack in recent years for its extreme privacy, hospitals defend the charge master as an artifact of public reporting requirements. Unfortunately, the majority of public reporting in the press is based on the infrequently used but publicly available billed charges from the charge master rather than negotiated rates.

The process for updating the charge master is not intended to ensure that it is a comprehensive document for tracking relative prices. Instead, hospitals focus on adding new services and calibrating highly competitive services rather than updating rates for older services. This is driven by two of the main purposes of the charge master: compliance with public reporting and establishing baseline rates in negotiations with insurers. Viewing the charge master simply as a list of prices that hospitals adhere to is problematic and can lead to incorrectly concluding that charge master privacy is an enemy of price transparency.

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1. Tompkins CP, Altman SH, Eilat E. The precarious pricing system for hospital services. *Health Affairs*. 2006;25(1):45–46.

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# PRICE TRANSPARENCY: COMMON DEFINITIONS

Establishing a common language for discussing price transparency is critical for communicating with internal and external stakeholders and for adopting meaningful price transparency principles.

The AAMC strongly urges all hospitals to adopt the list of standard definitions developed by the Healthcare Financial Management Association's (HFMA) Price Transparency Task Force. This multi-stakeholder group convened providers, insurers, and patients to reach consensus on common terminology. The full Task Force Report is available [here](#).

Key HFMA definitions include:

**Charge:** The dollar amount a provider sets for services rendered before negotiating any discounts. The charge can be different from the amount paid.

**Price:** The total amount a provider expects to be paid by payers and patients for health care services.

**Cost:** The definition of cost varies by the party incurring the expense:

- To the patient, cost is the amount payable out of pocket for health care services, which may include deductibles, copayments, co-insurance, amounts payable by the patient for services that are not included in the patient's benefit design, and amounts "balanced billed" by out-of-network providers. Health insurance premiums constitute a separate category of health care costs for patients, independent of health care service utilization.
- To the provider, cost is the expense (direct and indirect) incurred to deliver health care services to patients.

- To the insurer, cost is the amount payable to the provider (or reimbursable to the patient) for services rendered.
- To the employer, cost is the expense related to providing health benefits (premiums or claims paid).

**Out-of-Pocket Payment:** The portion of total payment for medical services and treatment for which the patient is responsible, including copayments, co-insurance, and deductibles. Out-of-pocket payment also includes amounts for services that are not included in the patient's benefit design and amounts for services balance billed by out-of-network providers.

**Care Purchaser:** Individuals and entities that contribute to the purchase of health care services.

**Provider:** An entity, organization, or individual that furnishes a health care service.

**Payer:** An organization that negotiates or sets rates for provider services, collects revenue through premium payments or tax dollars, processes provider claims for service, and pays provider claims using collected premium or tax revenues.

**Price Transparency:** In health care, readily available information on the price of health care services that, together with other information, helps define the value of those services and enables patients and other care purchasers to identify, compare, and choose providers that offer the desired level of value.

**Value:** The quality of a health care service in relation to the total price paid for the service by care purchasers.

**The AAMC recognizes that in addition to the definitions adopted by the HFMA Price Transparency Task Force, there are terms specifically of interest to teaching hospitals and academic medicine. The AAMC-defined terms are as follows:**

**Academic Medical Center (AMC):** A clinical enterprise that engages in both education and research in addition to patient care. AMCs often include teaching hospitals, medical schools, and faculty practices. AMCs typically provide clinical education and training to medical students, residents, postgraduate fellows, and other health professionals. They are distinguished by their clinical research programs. Although they account for a small percentage of the nation's hospitals, they provide a disproportionate amount of complex care and health care services for Medicaid beneficiaries and uninsured and underinsured individuals.

**Public Good:** A service that has a value to society but whose provision cannot properly be financed by private enterprise because its benefits are far-reaching and no one can be excluded from benefitting from the availability of a service. Examples in health care typically include trauma centers, burn units, neonatal units, and producing a physician workforce.

**Mission-based Payment:** Payment to a provider that incentivizes or compensates for a mission that the provider undertakes despite relatively low financial reward. These payments are commonly viewed as subsidies for public goods such as charity care, teaching programs, and services provided in critical access regions.

**Episode:** All the health care services provided to a patient to treat a clinically defined condition for a defined period of time (e.g., all the inpatient, outpatient, and rehabilitation services a patient receives during and after knee replacement surgery). A "bundled payment" is a specific type of episode payment defined as one predetermined lump sum payment for an entire episode of care.

**Charge Master:** A hospital's comprehensive list of items and services provided to patients. The charges listed typically do not correspond to the amount paid by patients and insurers.

**Uncompensated Care:** Care provided to a patient for which no payment is received. The term typically includes both "charity care" (care provided to patients for which the provider expected no payment) and "bad debt" (services for which the provider anticipated payment but was not paid).

**Undercompensated Care:** Care provided to a patient for which payment is received (typically from Medicare, Medicaid, or other government programs) but that does not cover the costs to the provider for providing the care.

**Reference Pricing:** A type of insurance plan that limits payments for procedures/events to a fixed amount, requiring the patient to cover the difference when choosing an out-of-network service. Often, the fixed amount is set to correspond to the lowest-priced option—for example, the price of a generic drug instead of its name-brand counterpart. These coverage limits are intended to be offset by lower premiums.

**Tier:** A level of health care services that is all paid at the same rate, but the rate is different from other levels of services. Examples of a tier in health benefit design include requiring higher copayments for providers in Tier 3 than for providers in Tier 2, and no copayments for providers in Tier 1. The plans can structure tiers for payments to physicians and hospitals based on quality or cost measures. The number of tiers can vary based on the coverage plan.

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# COMPREHENSIVE STATE-SPECIFIC REQUIREMENTS FOR INFORMATION FROM PROVIDERS

Reproduced in this table below is provider-specific information on price transparency laws from the Report Card on State Price Transparency Laws, published by the Catalyst for Payment Reform and the Health Care Incentives Improvement Institute on March 26, 2014.

The report can be found at [http://www.hci3.org/sites/default/files/files/Report\\_PriceTransLaws\\_2014.pdf](http://www.hci3.org/sites/default/files/files/Report_PriceTransLaws_2014.pdf).

Several states do not require information from providers: AK, AL, GA, HI, ID, KS, MI, MS\*, MT, OK, and WY.

\*Exception: MS requires information from providers, but state does not legislate specifics of what information is made available to consumers.

State	Level of Transparency	Scope of Providers			Scope of Prices		Scope of Services		
		Both Practitioners and Facilities	Practitioner or Facility	Subset of Either Practitioner or Facility	Paid Amounts	Charges	All IP and OP	All IP or OP	Most Common IP or OP
AR	Upon Request								
	Report		X			X			X
	Website		X			X			X
AZ	Upon Request		X			X			X
	Report			X		X		X	
	Website								
CA	Upon Request			X		X	X		
	Report								
	Website		X			X			X
CO	Upon Request		X			X			X
	Report		X		X				X
	Website		X		X				X
CT	Upon Request	X				X			X
	Report								
	Website								
DE	Upon Request								
	Report		X			X		X	
	Website								

State	Level of Transparency	Scope of Providers			Scope of Prices		Scope of Services		
		Both Practitioners and Facilities	Practitioner or Facility	Subset of Either Practitioner or Facility	Paid Amounts	Charges	All IP and OP	All IP or OP	Most Common IP or OP
FL	Upon Request	X				X	X		
	Report		X		X				X
	Website		X			X			X
IA	Upon Request								
	Report								
	Website		X			X	X		X
IL	Upon Request		X			X		X	
	Report		X			X	X		
	Website		X			X			X
IN	Upon Request		X			X		X	
	Report		X			X		X	
	Website								
KY	Upon Request								
	Report	X				X		X	
	Website	X				X		X	
LA	Upon Request								
	Report								
	Website	X				X		X	
MA	Upon Request				X			X	
	Report		X			X	X		
	Website	X			X				X
MD	Upon Request								
	Report		X			X		X	
	Website								
ME	Upon Request	X			X				
	Report								
			X		X				X

State	Level of Transparency	Scope of Providers			Scope of Prices		Scope of Services		
		Both Practitioners and Facilities	Practitioner or Facility	Subset of Either Practitioner or Facility	Paid Amounts	Charges	All IP and OP	All IP or OP	Most Common IP or OP
MN	Upon Request	X			X			X	
	Report		X			X		X	
	Website		X			X			X
MO	Upon Request								
	Report	X				X	X		
	Website								
NC	Upon Request	X			X				X
	Report								
	Website		X		X				X
ND	Upon Request								
	Report		X			X			X
	Website								
NE	Upon Request	X				X		X	
	Report								
	Website								
NH	Upon Request	X			X				X
	Report								
	Website	X			X				X
NJ	Upon Request								
	Report		X		X			X	
	Website								
NM	Upon Request								
	Report		X			X		X	
	Website								
NV	Upon Request		X			X			X
	Report		X			X			X
	Website		X			X			X







## EXISTING (NON-AAMC) CONSUMER RESEARCH ON PRICE TRANSPARENCY

- ***The Future of the Academic Medical Center: Strategies to Avoid a Margin Meltdown*, PwC Health Research Institute, February 2012**
  - p. 23, Figure 11: A majority of consumers are not willing to pay a higher premium to gain access to an academic medical center (AMC) network (Source: PwC Health Research Institute Consumer Survey, 2011).
  - **Question: Would you pay a higher premium in order to have access to care at an AMC (>1,000 consumer responses)?**
    - Yes: 22%
      - Up to 10% more: 67%
      - Up to 20% more: 25%
      - Up to 30% more: 5%
      - More than 30% more: 3%
    - No/Unsure: 78%
- **Altarum Institute Survey of Consumer Health Care Opinions, 2013 (released Jan. 8, 2014), is available at <http://altarum.org/sites/default/files/uploaded-related-files/Altarum%20Fall%202013%20Survey%20of%20Consumer%20Opinions.pdf>.**
  - N = approx. 2,000
  - Among respondents who received care within the past year, about one-third (32%) inquired about cost before the visit. Slightly more (35%) looked for information about quality ratings before choosing their provider. Younger consumers were more likely to ask about price and search for quality information before deciding on a doctor.
  - A majority indicated that they would be comfortable (43% very comfortable, 38% somewhat comfortable) approaching their doctor about the cost of health care services. Approximately 80% are either somewhat or very comfortable asking about price. Only 15% and 4% are somewhat or very uncomfortable, respectively.
  - Despite these high comfort levels, less than half (46%) of all respondents reported that they had ever asked how much a visit would cost before going to the doctor. This is consistent with previous survey results.
  - A little more than half (52%) felt that they could compare information to select a more qualified health care provider, while 39% were uncertain, and 9% were not at all confident. In both instances, younger consumers appeared to be more confident than those in older age groups.

- **NORC Center for Public Research poll, see** <http://www.vox.com/2014/7/21/5922835/half-of-americans-think-expensive-medical-care-is-better-theyre-wrong>.

- 48% thought higher-quality care comes at a higher cost; 37% said there is no real relationship. (Conclusion: Providing price data alone without associated quality data could lead patients to pick the most expensive, and seemingly best, provider.)

- **Mass Insight Survey, see** <http://www.bostonglobe.com/lifestyle/health-wellness/2014/07/04/consumers-want-know-cost-health-care-poll-finds/H51LNvNtuv8hV81Rby999J/story.html>.

- 87% said it is important to have clear information about medical costs ahead of time, but 82% don't have information allowing them to compare cost and quality.
- More than 90% said that quality is most important when choosing a health care service, but 55% said cost is a factor when choosing.

- **The TransUnion Healthcare survey released November 2013, see** [http://newsroom.transunion.com/press-releases/transunion-survey-healthcarecost-transparency-ma-1070221?utm\\_source=GooglePlus&utm\\_medium=HCGooglePlus&utm\\_campaign=12-3#.VAoDSk10zIU](http://newsroom.transunion.com/press-releases/transunion-survey-healthcarecost-transparency-ma-1070221?utm_source=GooglePlus&utm_medium=HCGooglePlus&utm_campaign=12-3#.VAoDSk10zIU).

- N = 1,039
- A majority of patients (55%) have started paying more attention to the details of their medical bills over the past year. Notably, increased consumer awareness of cost is not limited to out-of-pocket costs like premiums, copays, and co-insurance payments. Two-thirds of respondents (67%) say they want to know the details of both their own out-of-pocket costs and those covered by insurers. Additionally, three-quarters (75%) of respondents indicated that previous bills and costs have been either very important (42%) or extremely important (33%) in their decision to enroll or stay enrolled in a health plan.
- Patients who experience a clear, transparent billing process—and especially those who received more information about the expected costs on the front end of the process—are far more likely to give the highest ratings for their overall quality of care. Nearly three-quarters (73%) of patients who rated their quality of care highly also gave high marks to billing experiences, while 69% of those who rated their quality of care as poor gave poor marks to their billing experiences.

**Price Transparency in the News: Selected Articles, 2012–2015\***

Article Title	Subjects	Summary	News Source	URL
<b>Attention, shoppers: Prices for 70 health care procedures now online!</b>	startup that averages local costs	Startup website Guroo (by the Health Care Cost Institute) gives the average local costs for 70 common diagnoses and medical tests in most states, working with three major insurers to compile the figures. Advocates say it's a step but caution that that we are still in the early days of transparency and that the information is not perfect. But Guroo, given its size, influence, and the amount of data it has, has a chance to become the dominant portal for health care prices.	NPR, 2.26.15, Jay Hancock	<a href="http://www.npr.org/blogs/health/2015/02/26/389085619/attention-shoppers-prices-for-70-health-care-procedures-now-online">http://www.npr.org/blogs/health/2015/02/26/389085619/attention-shoppers-prices-for-70-health-care-procedures-now-online</a>
<b>Indiana Hospitals launch website to make medical costs more transparent</b>	new tool by hospitals	Indiana Hospital Association has launched a new website to look up and compare hospital's prices for types of procedures in the state. "The Indiana Hospital Association says this is a move for more transparency, something the government has instructed them needs to happen."	ABC 57 News (Indiana), 2.23.15, Brandon Pope	<a href="http://www.abc57.com/story/28173575/indiana-hospitals-launch-website-to-make-medical-costs-more-transparent">http://www.abc57.com/story/28173575/indiana-hospitals-launch-website-to-make-medical-costs-more-transparent</a>
<b>Blue Cross North Carolina's price tool could shake up medical industry</b>	review of BlueCross BlueShield Report and pricing tool	Eyes are on North Carolina as BlueCross's pricing disclosure has gone live and discloses prices for more than 1,200 nonemergency procedures; execs say it's a good start to a conversation on health costs but caution that the numbers can be misleading (as it doesn't show varying complexities of cases for the procedure) and might lead patients to taking on higher risk (say, by choosing an outpatient facility when they are a higher-risk patient for which a hospital setting might be more suitable). BlueCross claims that thus far, one high-priced provider has contacted the company to reduce insurance payments, and advocates say the transparency might be helpful for physicians for consideration when making referrals to patients.	Kaiser Health News, 2.4.15, John Murawski and Ann Doss Helms, Charlotte Observer	<a href="http://kaiserhealthnews.org/news/blue-cross-north-carolinas-price-tool-could-shake-up-medical-industry/">http://kaiserhealthnews.org/news/blue-cross-north-carolinas-price-tool-could-shake-up-medical-industry/</a>
<b>School district pays for health care but can't get itemized bill</b>	anecdotal story about self-insured group's inability to know prices for what it covers	Anecdotal story about school district's inability to get price data because insurers and providers keep the rates secret (even from the employers who are hiring them). This makes it impossible for the employer to truly know what is driving up the costs. "The school district is subject to the state's open records laws, but Cigna, the insurance carrier they use for employees, refused to share accounts of what was actually paid out, citing trade secrets. Even though the county school district, which is taxpayer-funded, takes on that risk, it's not allowed to see the contracted prices."	NPR, 11.29.14, Sammy Mack	<a href="http://www.npr.org/sections/health-shots/2014/11/29/366543309/paying-for-health-care-but-kept-in-the-dark">http://www.npr.org/sections/health-shots/2014/11/29/366543309/paying-for-health-care-but-kept-in-the-dark</a>

Article Title	Subjects	Summary	News Source	URL
Association between availability of health service prices and payments for these services	original research	Objective: To determine whether the use of an employer-sponsored private price transparency platform was associated with lower claims payments for three common medical services. ... Main Outcomes and Measures: The primary outcome was total claims payments (the sum of employer and employee spending for each claim) for laboratory tests, advanced imaging services, and clinician office visits. ... Conclusions and Relevance: Use of price transparency information was associated with lower total claims payments for common medical services. The magnitude of the difference was largest for advanced imaging services and smallest for clinical office visits. Patient access to pricing information before obtaining clinical services may result in lower overall payments made for clinical care.	JAMA, 10.22/29.14, Christopher Whaley, et al.	<a href="http://jama.jamanetwork.com/article.aspx?articleid=1917438">http://jama.jamanetwork.com/article.aspx?articleid=1917438</a>
Price tags on health care? Only in Massachusetts	review of the state's newly mandated price tools for all private insurers	"These tools are not perfect, but they are unlike anything else in the country. While a few states are moving toward more health care price transparency, none have gone as far as Massachusetts to make the information accessible to consumers." The theory is that providers are likely the greatest users of the tool, as a way to check their own prices in line with competitors.	Kaiser Health News, 10.9.14, Martha Bebinger, WBUR	<a href="http://kaiserhealthnews.org/news/price-tags-for-health-care-in-mass/">http://kaiserhealthnews.org/news/price-tags-for-health-care-in-mass/</a>
Half of Americans think expensive medical care is better. They're wrong.	high cost of care, public opinion, research (Associated Press—NORC Center for Public Research poll)	Forty-eight percent of Americans said they thought higher quality care comes at a higher cost; 37% said there is no real relationship. Providing price data alone without associated quality data could lead patients to pick the most expensive, and seemingly best, provider.	Vox.com, 7.21.14, Sarah Kliff	<a href="http://www.vox.com/2014/7/21/5922835/half-of-americans-think-expensive-medical-care-is-better-theyre-wrong">http://www.vox.com/2014/7/21/5922835/half-of-americans-think-expensive-medical-care-is-better-theyre-wrong</a>
Many unaware of new rules on health care costs	public opinion, results of survey of state residents	In a survey by consulting and research firm Mass Insight, 87% of respondents said it is important to have clear info about medical costs ahead of time, but 82% don't have info allowing them to compare cost and quality. More than 90% said that quality is most important when choosing a health care service, but 55% said cost is a factor when choosing. Beginning in October 2014, insurance companies in Massachusetts must provide answers to consumers' questions about the cost of services with short turn-around time.	Boston Globe, 7.5.14, Felice J. Freyer	<a href="http://www.bostonglobe.com/lifestyle/health-wellness/2014/07/04/consumers-want-know-cost-health-care-poll-finds/H51LNvNtuv8hV81Rby999J/story.html">http://www.bostonglobe.com/lifestyle/health-wellness/2014/07/04/consumers-want-know-cost-health-care-poll-finds/H51LNvNtuv8hV81Rby999J/story.html</a>

Article Title	Subjects	Summary	News Source	URL
Same surgery, different price: Patient gets \$15,000 bill second time	anecdotal story on consequences of price disparity	A patient, Erickson, had the same surgery on both his knees, one in 2010 and one in 2013. He had the same insurance, used the same hospital and the same doctor, and had the same procedure done. For the first procedure (on his right knee), everything was covered. For the second procedure (on his left knee), he was charged \$15,000. This was because the device used for postsurgery rehabilitation wasn't covered by his insurance. Erickson tried and failed to appeal; it's the patient's responsibility to ensure his medical provider is in his insurer's coverage network. Despite Erickson's ensuring that his doctor and hospital were in his insurer's network, the device he was given wasn't covered. As to why he wasn't charged \$15,000 the first time, the insurance's spokesman posited it could be because the fee listed was the chargemaster price and, after receiving the insurance's contribution (\$4,000), they decided not to pursue the remaining amount that Erickson would have owed. The spokesman reiterated that despite Erickson's belief that the device was covered due to his first surgery, he should have double-checked before his second.	LA Times, 7.3.14, David Lazarus	<a href="http://www.latimes.com/business/la-fi-lazarus-20140704-column.html">http://www.latimes.com/business/la-fi-lazarus-20140704-column.html</a>
HFMA attendees urged to adapt to new consumerism era	recap of HFMA's annual meeting in Las Vegas, TransUnion consumer survey	The Healthcare Financial Management Association's (HFMA) introduced the Healthcare Dollars and Sense Initiative at the 2014 Annual National Institute, which focuses on financial communications and transparency. Eighty-four percent of respondents to the TransUnion survey indicated that pretreatment cost estimates would have a somewhat, or very, positive impact on whom they would choose as a provider, ranking just below outstanding bedside manner (86%) and prompt test results (89%). Only 12% of respondents said it was very easy to get cost information, while 20% said it was very difficult.	Modern Healthcare, 6.28.14, Beth Kutscher	<a href="http://www.modernhealthcare.com/article/20140628/MAGAZINE/306289964/1246">http://www.modernhealthcare.com/article/20140628/MAGAZINE/306289964/1246</a>
New hospital price data released for South Florida, nation	Florida, Agency for Health Care Administration, price disparity, tool for improving transparency	Florida has no laws that compel transparency, but there is a state-mandated website managed by the Agency for Health Care Administration that includes a price range for some procedures. However, the prices listed are only a guideline, not a guarantee, which can be confusing for consumers. The prices published by Centers for Medicare and Medicaid Services (CMS) are only for procedures and exclude many other factors that can affect the overall cost, including things like physicians' fees and room and board. Medicare rates are also not an accurate reflection of the rates paid by private insurers.	Miami Herald, 6.3.14, Daniel Chang	<a href="http://www.miamiherald.com/2014/06/03/4156276/new-hospital-price-data-released.html">http://www.miamiherald.com/2014/06/03/4156276/new-hospital-price-data-released.html</a>
Viewpoints: New medical price databases may help consumers drive down costs	transparency legislation, consumer responsibility, uninsured patients	For health care transparency to feasibly occur, there needs to be consumer responsibility for using price to select medical procedures and doctors. Such consumer responsibility has been lacking in American medicine since the middle of the last century, when insurance companies began to supplant individuals as decision makers. For patients who are uninsured, it is often difficult for them to negotiate their bill in the same way that insurance companies do for their insured patients if the system is not transparent. In response to this problem, California's Assembly passed a bill (AB 1558) that would provide for basic price information and lead toward greater transparency.	Sacramento Bee, 5.29.14, Roger Smith; reposted on Center for Health Reporting	<a href="http://centerforhealthreporting.org/article/viewpoints-new-medical-price-databases-may-help-consumers-drive-down-costs">http://centerforhealthreporting.org/article/viewpoints-new-medical-price-databases-may-help-consumers-drive-down-costs</a>

Article Title	Subjects	Summary	News Source	URL
<b>Solving the mystery of health-care prices could save \$100 billion</b>	price transparency as money-saving initiative	A policy paper from West Health estimated that greater price transparency could save \$100 billion over 10 years. Of course, that is only a fraction of a percent of projected health spending over the next 10 years. A downside to price transparency is that it could lead to more spending if not combined with quality data. The Health Care Cost Institute announced in May 2014 that it partnered with three of the nation’s largest insurers to create an all-payer claims database that would make data available to patients, insurers, providers, and regulators in 2015.	Vox.com, 5.21.14, Adrianna McIntyre	<a href="http://www.vox.com/2014/5/21/5723452/could-more-price-transparency-in-health-care-really-save-100-billion">http://www.vox.com/2014/5/21/5723452/could-more-price-transparency-in-health-care-really-save-100-billion</a>
<b>Brace yourself for price transparency in healthcare</b>	CMS, physician reimbursement, price disparity	In April 2014, CMS released information about the reimbursement to doctors who provide Medicare services. Not included in the released information were Medicare Advantage patients and information regarding private insurance and Medicaid. The opinion piece discusses what new information can be gleaned from this release, including that we now have an itemized list of how much Medicare pays each doctor for each individual service and suggests that prospective patients can use this information to help inform their decisions. The list also includes what Medicare was billed by the doctor and what Medicare paid.	HIT Consultant, 5.15.14, Margalit Gur-Arie	<a href="http://hitconsultant.net/2014/05/15/brace-yourself-for-price-transparency-in-healthcare/">http://hitconsultant.net/2014/05/15/brace-yourself-for-price-transparency-in-healthcare/</a>
<b>Medical costs vary widely at central San Joaquin Valley hospitals</b>	price disparities, chargemasters, consumer shopping, transparency legislation	This article looks at the drastic price disparities in the San Joaquin Valley in California, where a joint replacement might cost \$40,812 or \$122,651, depending on which hospital you choose. Those full retail prices are hardly ever paid since insurance companies all negotiate the prices and reimburse at lower amounts. Because the prices don’t reflect the amount normally paid and have no reflection on quality, the full retail price is pretty much meaningless. This is becoming more and more important, not just for the uninsured, but for those whose insurance providers are asking them to share more and more of the cost. As transparency increases, consumers have more and more incentive to shop for health care and make their decisions based on cost. California has proposed two transparency-related bills. Some states, like New Hampshire, have enacted an all-payer claims database to increase transparency. The database, which uncovered a big disparity in rates, lead to reduced or moderated rates throughout the state, although there didn’t seem to be an increase in consumer shopping.	Fresno Bee, 5.10.14, Barbara Anderson	<a href="http://www.fresnobee.com/2014/05/10/3920370/under-the-microscope-central-san.html">http://www.fresnobee.com/2014/05/10/3920370/under-the-microscope-central-san.html</a>

Article Title	Subjects	Summary	News Source	URL
<b>Health-care industry takes steps toward price transparency</b>	tools for improving transparency, recommended changes	In April 2014, some two dozen stakeholders issued a report with recommendations on how to provide patients with more information about the cost of health care services. This group includes hospitals, consumer advocates, doctors, and health systems. The recommendations look to who should be responsible for providing pricing information and what information should be provided. The report recommended providing a clear indication of whether the provider was in-network and where to find in-network providers; providing the out-of-pocket-costs for the patient; providing other information such as safety scores and clinical outcomes; and providing estimated costs for standard procedures for uninsured patients and making clear how complications could cause an increase in price. These recommendations acknowledge that the industry is changing and that providers need to be more accommodating to the price-sensitivity of patients.	Denver Post, 4.21.14, Jason Millman, The Washington Post	<a href="http://www.denverpost.com/smart/ci_25595655/health-care-industry-takes-steps-toward-price-transparency">http://www.denverpost.com/smart/ci_25595655/health-care-industry-takes-steps-toward-price-transparency</a>
<b>Price transparency in healthcare: A movement takes hold</b>	tools for improving transparency	The Denver-based Center for Value in Improving Healthcare (CIVHC) is analyzing claims data for medical procedures to provide cost and quality insights. The CIVHC plans to have a price-comparison tool available later in 2014 for common medical procedures for Colorado consumers. The consumer can enter a search code and find providers and costs in their area. For uninsured patients, the metrics will include median charges that will be a starting point for negotiations.	Behavioral Healthcare, 4.17.14, Alison Knopf	<a href="http://www.behavioral.net/article/price-transparency-healthcare-movement-takes-hold">http://www.behavioral.net/article/price-transparency-healthcare-movement-takes-hold</a>
<b>Price transparency stinks in health care. Here's how the industry wants to change that.</b>	coverage of new HFMA report	About two dozen industry stakeholders, including lobbying groups for hospitals and health insurers, issued recommendations in the HFMA report delineating who in the health care system should be responsible for providing pricing information and what kind of information to provide, depending on a person's insurance status. The report's major recommendations include how to provide patients with the total estimated price of the service; a clear indication of whether the provider is in-network or where to find an in-network provider; a patient's out-of-pocket costs; and other relevant information such as patient-safety scores and clinical outcomes.	Washington Post, 4.16.14, Jason Millman	<a href="http://www.washingtonpost.com/blogs/wonkblog/wp/2014/04/16/price-transparency-stinks-in-health-care-heres-how-the-industry-wants-to-change-that/">http://www.washingtonpost.com/blogs/wonkblog/wp/2014/04/16/price-transparency-stinks-in-health-care-heres-how-the-industry-wants-to-change-that/</a>
<b>Startup Spotlight: MD Clarity</b>	MD Clarity, Florida, physicians, tool for improving transparency	MD Clarity seeks to offer a cloud-based health care solution to systematically reduce health care costs by making pricing and quality data accessible to patients and health care providers, as well as making sure that physicians are adequately paid for their services. The initial goal was to find a way to make patient out-of-pocket costs projections easier for physicians to obtain for their patients. MD Clarity has since expanded to include the ability of patients to access their current benefits and to easily pay while at the doctor's office. MD Clarity, which launched in the summer of 2010, is working on further growing and expanding the product offerings to a broader variety of clients.	Miami Herald, 1.26.14, Nancy Dhalberg	<a href="http://miamiherald.typepad.com/the-starting-gate/2014/01/startup-spotlight-md-clarity.html">http://miamiherald.typepad.com/the-starting-gate/2014/01/startup-spotlight-md-clarity.html</a>



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<b>Revealing times: Hospitals, physicians face mounting policy and market pressure to disclose prices</b>	efforts to increase transparency (federal, state, and private)	A recently introduced bill from Sens. Ron Wyden and Chuck Grassley aims to make Medicare payment data broadly accessible on the Internet. The Centers for Medicare and Medicaid Services (CMS) published data disclosing what hospitals charge and what Medicare pays them for common procedures; however, providers complained because the numbers didn't reflect what patients and insurers are actually billed. In 2013, North Carolina passed a state law requiring the state's hospitals and ambulatory surgery centers to disclose on a state website what they're paid by public and private insurers for 140 procedures. The article includes names of several doctor-owned facilities that have begun posting prices online. Of course, many providers, backed by the strong stance from the American Medical Association (AMA), oppose release of data on payments to individual providers because it violates their privacy and could hurt bargaining positions.	Modern Healthcare, 1.18.14, Joe Carlson	<a href="http://www.modernhealthcare.com/article/20140118/MAGAZINE/301189936">http://www.modernhealthcare.com/article/20140118/MAGAZINE/301189936</a>
<b>Miami Children's Hospital part of a trend: revealing some price information</b>	Miami Children's Hospital, fixed prices, patient education, tool for improving transparency, Florida	In January 2014, Miami Children's Hospital started giving patients more of the information they would need to estimate the out-of-pocket costs for their medical care. They reduced the prices on their chargemasters by 30%, bringing the prices to a figure that more accurately represents what insurers pay. They are also working on developing fixed prices for several of the hospital's most common services. These changes are an attempt to educate patients about what services they are actually paying for, as opposed to the old chargemaster prices, which might have little relation to what the ultimate cost would be.	Miami Herald, 1.1.14, Daniel Chang; story reposted on Kaiser Health News, 1.19.14	<a href="http://khn.org/news/hospital-pricing-miami/">http://khn.org/news/hospital-pricing-miami/</a>
<b>PwC survey reveals the top health industry trends of 2014</b>	PwC Health Research Institute report	The Top Health Industry Issues for 2014 report reveals that hospitals and health systems will become more retail-focused as they respond to demand for price transparency and cost savings. Other top issues include a greater push by large employers to use private exchanges to provide health care benefits to workers; leaner health care innovation models; a movement to use social, mobile, analytics, and cloud technologies together to improve the practice of medicine and care coordination; and a redefined health care job market that uses technology to engage digitally with patients.	FierceHealthcare, 12.12.13, Ilene MacDonald	<a href="http://www.fiercehealthcare.com/story/pwc-survey-reveals-top-health-industry-trends-2014/2013-12-12">http://www.fiercehealthcare.com/story/pwc-survey-reveals-top-health-industry-trends-2014/2013-12-12</a>  <a href="http://www.pwc.com/us/en/health-industries/top-health-industry-issues/transparency.jhtml">http://www.pwc.com/us/en/health-industries/top-health-industry-issues/transparency.jhtml</a>
<b>Paying till it hurts: As hospital prices soar, a stitch tops \$500</b>	price regulation, hospital chains and mergers, California	Due to the lack of price regulation in the private market, hospital costs are soaring. On average, a single day as an inpatient costs over \$4,000, with some of the most expensive hospitals charging over \$12,500 a day. The private health market has little to no price regulation, which allows hospitals, one of the most powerful players in the system, the ability to control their own prices. Much of this power comes from the consolidation and mergers that have happened, creating hospital chains that dominate in their area. California Pacific Medical Center is one such chain that has become very proficient in the business of medicine. Their prices include a \$2,200 bill for three stitches in the emergency room (negotiated down to \$1,813 by the insurance company). Research has shown that mergers often bring prices up not only at the hospitals that have merged, but also at other, smaller hospitals in the region.	NY Times, 12.2.13, Elisabeth Rosenthal	<a href="http://www.nytimes.com/2013/12/03/health/as-hospital-costs-soar-single-stitch-tops-500.html?pagewanted=all">http://www.nytimes.com/2013/12/03/health/as-hospital-costs-soar-single-stitch-tops-500.html?pagewanted=all</a>

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More patients rely on price transparency for care decisions	TransUnion consumer survey, public opinion research	A TransUnion health care survey of 1,039 insured patients in November 2013 revealed that more patients are turning to hospitals and insurers to provide information on costs. Fifty-five percent of respondents said they now pay more attention to details on medical bills not just out-of-pocket expenses. Patients who experienced a transparent billing process were more likely to give the highest ratings for their quality of care.	FierceHealthcare, 11.22.13, Ilene MacDonald	<a href="http://www.fiercehealthcare.com/story/more-patients-rely-price-transparency-care-decisions/2013-11-22">http://www.fiercehealthcare.com/story/more-patients-rely-price-transparency-care-decisions/2013-11-22</a>
TransUnion Survey: Healthcare cost transparency major factor in patients' choice of providers, health plans during open enrollment	TransUnion consumer survey, public opinion research	<p>The TransUnion survey found that a majority of patients (55%) have started paying more attention to the details of their medical bills over the past year. Notably, increased consumer awareness of cost is not limited to out-of-pocket costs like premiums, co-pays, and co-insurance payments. Two-thirds of respondents (67%) say they want to know the details of both their own out-of-pocket costs and those covered by insurers. Additionally, three-quarters (75%) of respondents indicated that previous bills and costs have been either very important (42%) or extremely important (33%) in their decisions to enroll or stay enrolled in health plans.</p> <p>At least 60% of respondents said that health reform has made them "more concerned" about the cost of coverage (63%), out-of-pocket cost (62%), and the total cost of care (60%), while roughly half said the same about access to specialists (50%) and getting appointments (47%). The survey also revealed that patients who experience a clear, transparent billing process and especially those who received more information about the expected costs on the front end of the process are far more likely to give the highest ratings to their overall quality of care. Nearly three-quarters (73%) of patients who rated their quality of care highly also gave high marks to billing experiences, while 69% of those who rated their quality of care as poor also gave poor marks to their billing experiences.</p>	Marketwired, 11.20.13, News room	<a href="http://www.marketwired.com/press-release/transunion-survey-healthcare-cost-transparency-major-factor-patients-choice-providers-1854520.htm">http://www.marketwired.com/press-release/transunion-survey-healthcare-cost-transparency-major-factor-patients-choice-providers-1854520.htm</a>
Good deals on pills? It's anyone's guess	price disparity, pharmaceuticals	This article outlines services that make prices for pills more transparent and reasons why transparency has a lot of room to grow. Is it fair for health insurance policies to force consumers to shop for best prices by forcing them to pay a portion of bills?	New York Times, 11.9.13, Elisabeth Rosenthal	<a href="http://www.nytimes.com/2013/11/10/sunday-review/good-deals-on-pills-its-anyones-guess.html?pagewanted=all">http://www.nytimes.com/2013/11/10/sunday-review/good-deals-on-pills-its-anyones-guess.html?pagewanted=all</a>
Can this man save healthcare?	Surgery Center of Oklahoma, proposed solutions	Dr. Keith Smith of the Surgery Center of Oklahoma posts prices, which are considerably lower than the national average, online. The article says that the reason health care is so expensive is because consumers have no incentives to economize. Dr. Smith believes that third-party payers should be cut out, and consumers and producers should negotiate directly. As a result of a mini-price war between hospitals, the Oklahoma and Kansas area has some of the cheapest open-heart surgery available in the nation.	The Freeman, 10.21.13, Jordan Bruneau	<a href="http://www.fee.org/the_freeman/detail/can-this-man-save-healthcare">http://www.fee.org/the_freeman/detail/can-this-man-save-healthcare</a>

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How healthcare can work when it is a right, not a privilege	comparative healthcare, California	While touring London, Mona Davis thought she had come down with a cold. Her cold worsened, and she was directed to St. Thomas' hospital; she was taken to the A&E (Accident and Emergency, equivalent to an ER) and seen there. Within five hours, she had been looked over, had a chest X-ray and blood tests, been diagnosed with pneumonia, been written a prescription, and been shown how to use an inhaler. The only charge she had to show for this was \$37 to fill her three prescriptions. After Davis returned to Southern California, her husband also began feeling unwell and went to the ER, where he had tests done and a chest X-ray taken, and, two days later, he had to return to double-check one of his blood tests. His total bill was almost \$17,000. The difference, Lazarus claims, is that Britain, like many other developed countries, holds the idea that health care is a right and not a privilege, and, therefore, everyone is entitled to affordable medical treatment.	Los Angeles Times, 10.3.13, David Lazarus	<a href="http://articles.latimes.com/2013/oct/03/business/la-fi-lazarus-20131004">http://articles.latimes.com/2013/oct/03/business/la-fi-lazarus-20131004</a>
Why pricing transparency does matter	high cost of care, uninsured patients	The article is a personal account of the high cost of care for the uninsured.	FierceHealthcare, 9.18.13, Ilene MacDonald	<a href="http://www.fiercehealthcare.com/story/why-pricing-transparency-does-matter/2013-09-18">http://www.fiercehealthcare.com/story/why-pricing-transparency-does-matter/2013-09-18</a>
The people have spoken: Reveal medical prices now!	Health Care Inc. Northwest unscientific poll, tools for transparency	In an unscientific poll by Health Care Inc. Northwest, 95% believed hospitals should be required to reveal prices for all procedures. Pricinghealthcare.com is gathering pricing data for Portland on its website by using crowd sourcing. Okcopay.com has pricing data for eight cities and will show prices for 72 different procedures with some measures of quality and convenience. It's open to people without insurance and those who aren't covered by their plans for certain services.	Portland Business Journal, 8.20.13, Elizabeth Hayes	<a href="http://www.bizjournals.com/portland/blog/health-care-inc/2013/08/the-people-have-spoken-reveal-medical.html?page=all">http://www.bizjournals.com/portland/blog/health-care-inc/2013/08/the-people-have-spoken-reveal-medical.html?page=all</a>
Who is most responsible for rising health costs? Readers, weigh in	insurance companies, high cost of care	Because Portland Business Journal readers want to know the prices of various medical procedures, the journal also wondered who the readers thought was most responsible for rising health care costs: doctors, hospitals, insurance companies, or the government. The attached survey found that 30% of readers thought that insurance companies were most responsible.	Portland Business Journal, 8.20.13, Elizabeth Hayes	<a href="http://www.bizjournals.com/portland/blog/health-care-inc/2013/08/who-is-most-responsible-for-rising.html">http://www.bizjournals.com/portland/blog/health-care-inc/2013/08/who-is-most-responsible-for-rising.html</a>

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<b>The cure for the \$1,000 toothbrush</b>	PPOs, alternate payment methods, cost-plus plans, tools for improving transparency	After facing a 68% increase in company premiums by a Blue Cross preferred provider organization (PPO), Texas 811 dropped Blue Cross and turned to GPA, a locally based company that administers claims. Because of the increase in mergers and growth of hospital chains, hospitals now control negotiations with PPOs, which includes the ability to get high prices, secrecy clauses, and other contract advantages. PPOs negotiate discounts with the hospital over chargemaster prices, which the insurance company pays, generally without asking questions. Some PPO contracts even contain a clause that prohibits arguing over prices. According to hospital executives, the ban on challenging prices is justified because it's the overall price of the procedure that matters and not the line-item review. Now companies, like GPA, are using a different system whereby they are paying the hospital its costs, along with a profit. Clients that use this system, so far, usually use a 15–20% reduction in medical spending in the first year after switching. Despite these reductions, most employers haven't chosen this path. There are several reasons for this. Many employers don't realize that insurance companies aren't doing their own audits. There are a few hospitals that don't accept "cost-plus" rates. Additionally, the cost-plus plan comes with uncertainties that not all employers believe their work force is willing to accept. More transparency can also cut costs through reference pricing. Reference pricing leads to patients shopping around and also other hospitals lowering their prices.	NY Times Opinionator, 8.13.13, Tina Rosenberg	<a href="http://opinionator.blogs.nytimes.com/2013/08/13/the-cure-for-the-1000-toothbrush/">http://opinionator.blogs.nytimes.com/2013/08/13/the-cure-for-the-1000-toothbrush/</a>
<b>Revealing a health care secret: The price</b>	Surgery Center of Oklahoma, transparency through Internet sources	The Surgery Center of Oklahoma has been posting prices on a website for the past four years. On NewChoiceHealth.com, a website that compares prices offered by different facilities in the same city, the Surgery Center of Oklahoma is consistently the cheapest option. Their disclosure of prices in health care is unique. Due to the political and market power of health care providers, the sellers are often the only ones who know the price. Price opacity is only getting worse as hospital chains consolidate. Transparency, however, has been increasing in some ways, mostly through the Internet. The required CMS reporting of the cost of doing procedures is now available on the Web, and Sebelius released two other databases, one that shows what Medicare paid for some of the most common inpatient services across the United States and one that is a database of hospital's chargemaster prices. Additionally, websites are now appearing that allow patients to compare the self-pay prices in their area and even solicit bids.	NY Times Opinionator, 7.31.13, Tina Rosenberg	<a href="http://opinionator.blogs.nytimes.com/2013/07/31/a-new-health-care-approach-dont-hide-the-price/?_php=true&amp;_type=blogs&amp;_r=0">http://opinionator.blogs.nytimes.com/2013/07/31/a-new-health-care-approach-dont-hide-the-price/?_php=true&amp;_type=blogs&amp;_r=0</a>
<b>N.C. makes move to improve health cost transparency</b>	North Carolina, transparency legislation	In June 2013, North Carolina passed the Health Care Cost Reduction and Transparency Act of 2013 that will create an online database of what hospitals paid, on average, for 100 of their most frequently performed treatments as well as the cost of the 20 most common surgical procedures and 20 most common imaging procedures. Not only will this allow patients to go online and compare the prices of treatment, it will also tell them what Medicare and Medicaid pay for the treatment, what the five largest insurers in the state would pay, and what price an uninsured person would pay and the average price they could negotiate for the treatment.	Triad Business Journal, 7.29.13. Owen Covington	<a href="http://www.bizjournals.com/triad/blog/2013/07/after-failing-grade-nc-should-improve.html?page=all">http://www.bizjournals.com/triad/blog/2013/07/after-failing-grade-nc-should-improve.html?page=all</a>

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Mass. taking steps to open up the mysterious world of medical prices	Massachusetts, transparency legislation	In response to an earlier editorial published in The Boston Globe (“Hospital prices should be published”), Massachusetts’ undersecretary of the Office of Consumer Affairs and Business Regulation addressed what Massachusetts was doing in terms of transparency. In 2012, a law was passed that required insurers to provide price information for procedures among various providers on a website and at a toll-free number. These tools were put in place so that consumers can feel comfortable asking questions and shopping around.	Boston Globe, 6.24.13, Barbara Anthony	<a href="http://www.bostonglobe.com/opinion/letters/2013/06/23/massachusetts-taking-steps-open-mysterious-world-medical-pricing/XhpiSnK0twc4RhxP6mTfrK/story.html">http://www.bostonglobe.com/opinion/letters/2013/06/23/massachusetts-taking-steps-open-mysterious-world-medical-pricing/XhpiSnK0twc4RhxP6mTfrK/story.html</a>
Hospital prices should be published	price transparency editorial	Hospitals have great discretion over what prices they charge. At one hospital in Boston, the average cost of treatment for a heart attack (without complications) was \$36,111. At a hospital 12 miles away, the same diagnosis was treated, on average, for just under \$6,000. Such disparities are the result of patients largely paying little attention to the price. Instead, paying was left to the insurers, who negotiated the price but didn’t make the results of those negotiations public. However, with the change in many newer policies, patients are being asked to pay more out of pocket, making them more price-conscious. In acknowledgment of this, Mount Sinai Medical Center in Miami pledged to publish what insurers were charged for procedures.	Boston Globe Editorial, 6.17.13	<a href="http://www.bostonglobe.com/editorials/2013/06/17/hospital-vow-price-transparency-could-revolutionize-health-care/r7ylsshRg7eXBUXIb15ol/story.html">http://www.bostonglobe.com/editorials/2013/06/17/hospital-vow-price-transparency-could-revolutionize-health-care/r7ylsshRg7eXBUXIb15ol/story.html</a>
Hospital pricing needs to be simpler, more equitable (letter titled “Baptist Health: A Leader in Hospital Pricing Transparency”)	CMS, chargemaster, tool for improving transparency, Florida	The 2013 CMS release of what U.S hospitals charge is not particularly meaningful or understandable. Hospital chargemasters are not an adequate guide for the amounts paid by Medicare or Medicaid and are generally unrelated to the amount paid by commercial health insurers. Furthermore, there is no standardized system for the chargemasters. Not only do prices vary from hospital to hospital, the numbers of items listed on the chargemaster vary. Although the CMS release did highlight the problems with hospital pricing systems, it did little to inform patients what they would actually be paying. The article was really a letter from the president and CEO of Baptist Health South Florida suggesting that hospital pricing systems should be replaced with a simpler and more equitable system, such as the one Baptist Health South Florida. This system uses a Central Pricing Office that allows patients to obtain an out-of-pocket estimate for their scheduled service and offers other potential discounts for patients.	Miami Herald, 6.11.13, Brian Keeley; Baptist Health South Florida, 6.12.13	<a href="http://baptisthealth.net/brian-keeley-blog/baptist-health-a-leader-in-hospital-pricing-transparency/">http://baptisthealth.net/brian-keeley-blog/baptist-health-a-leader-in-hospital-pricing-transparency/</a>
The \$2.7 trillion medical bill	comparative health care	Colonoscopies are the most expensive screening test that Americans routinely undergo. The article mentions the opaqueness of medical bills with random charges. The United States doesn’t regulate pricing (aside from Medicare and Medicaid), unlike in other countries. This article is part one of an eight-part series on the high cost of care.	New York Times, 6.1.13, Elisabeth Rosenthal	<a href="http://www.nytimes.com/2013/06/02/health/colonoscopies-explain-why-us-leads-the-world-in-health-expenditures.html">http://www.nytimes.com/2013/06/02/health/colonoscopies-explain-why-us-leads-the-world-in-health-expenditures.html</a>

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Cedars-Sinai stands out for steep pricing; it's the only hospital near the top in every category in Medicare report. But few patients pay the full amount.	high cost of care, California	Cedars-Sinai Med Center in LA ranks among the most expensive in the country. The hospital has long justified its costs because it is committed to research and training; it also takes on patients with complex issues that other hospitals can't. However, other elite hospitals like Mayo Clinic aren't as expensive.	LA Times, 5.17.13, Chad Terhune and Ben Poston	<a href="http://articles.latimes.com/2013/may/17/business/la-fi-cedars-hospital-prices-20130517">http://articles.latimes.com/2013/may/17/business/la-fi-cedars-hospital-prices-20130517</a>
Hospital pricing practices gouge patients: Our view	Editorial arguing for greater price transparency in health care services	Subheading: "Hospitals commonly charge not just a little more than the typical Medicare reimbursement rate, but five or 10 or even 20 times more."	USA Today, 5.15.13, The Editorial Board	<a href="http://www.usatoday.com/story/opinion/2013/05/15/hospital-charges-costs-pricing-editorials-debates/2163795/">http://www.usatoday.com/story/opinion/2013/05/15/hospital-charges-costs-pricing-editorials-debates/2163795/</a>
In Miami, more hospital prices may see light of day	Florida, improving transparency	Mount Sinai Medical Center in Miami Beach pledged to make public the contractual rates it charged private insurers for diagnoses and treatments and challenged other hospitals in the area to do the same. Although this challenge was declined by some hospitals, there is a sense that transparency was the direction in which the industry as a whole was going. Such transparency will hold the hospitals accountable and also means that price of care will become a much bigger factor for consumer decisions. Another factor that will lead to patients shopping around is that insurance companies are moving toward high-deductible plans. However, most hospitals don't currently publish prices for treatment or only publish some prices, making shopping around difficult. There is a concern that providing raw pricing would be more confusing for patients than helpful, due to the complex way pricing works.	Miami Herald, 5.14.13, Daniel Chang	<a href="http://www.miamiherald.com/2013/05/14/3397479/in-miami-more-hospital-prices.html">http://www.miamiherald.com/2013/05/14/3397479/in-miami-more-hospital-prices.html</a>
The value in price transparency: It's time for hospitals to look inward for reasons behind cost disparity	Bitter Pill article, chagemaster, price disparity	This is an editorial that calls for hospitals and delivery systems to look inward at why they are so out of line with competitors. In May 2013, CMS released hospital charges and payments, which revealed a wide disparity between diagnosis-related group (DRG) payments made to various hospitals in the same regions. The controversy surrounding CMS's report and the Bitter Pill article prompted the editor to write this piece.	Modern Healthcare, 5.11.13, Merril Goozner	<a href="http://www.modernhealthcare.com/article/20130511/MAGAZINE/305119987">http://www.modernhealthcare.com/article/20130511/MAGAZINE/305119987</a>

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American health care as a source of humor	CMS, chargemasters	This article is about the 2013 CMS spreadsheet on hospital charges and payments of the 100 most frequently billed inpatient cases for 3000+ hospitals. The spreadsheet includes a column that lists the average payments that Medicare made to the hospitals as well as one that lists the average covered charges, the latter of which is often significantly higher than the Medicare payments. The average covered charges are decided by the (largely nonsensical) chargemaster, which hardly anyone ever actually pays.	NY Times Economix, 5.10.13, Uwe Reinhardt	<a href="http://economix.blogs.nytimes.com/2013/05/10/american-health-care-as-a-source-of-humor/">http://economix.blogs.nytimes.com/2013/05/10/american-health-care-as-a-source-of-humor/</a>
Hospital prices for same services vary widely	CMS, chargemaster, insurance negotiations, price disparity	In 2013, the Department of Health and Human Services released a list of typical hospital charges. Not only do prices vary from area to area and hospital to hospital, but whether a patient has an insurer to negotiate their bill for them also makes a huge difference in what the bill will be. A single trip to the hospital in California for chest pains might range from a listed price of \$22,616 to almost \$50,000. When that same trip is negotiated by Medicare or Medicaid, the price instead will probably be somewhere in the \$4,000–\$7,000 range. There seems to be no rhyme or reason to why the prices are what they are or why hospitals come down to specific prices while negotiating with insurers.	Sacramento Bee, 5.9.13, Cynthia Craft	<a href="http://www.sacbee.com/2013/05/09/5406420/hospital-prices-for-same-services.html">http://www.sacbee.com/2013/05/09/5406420/hospital-prices-for-same-services.html</a>
IMS: US medicine spending shows rare dip in 2012	pharmaceuticals, decrease in spending	In 2012, spending on prescription medicines fell due to a combination of consumers cutting back on their use of health care services and an increase in generic versions of widely used drugs. Spending decreased by 1%, although after accounting for population growth and economic expansion, the decline was around 3.5%. Consumers were cutting back not only because of their own financial situation, but also because employers were raising health costs for their workers, including a jump in use of consumer-directed plans. Out-of-pocket expenses for those with consumer-directed plans are seven times higher than they were five years ago and three times higher on average.	AP, 5.9.13, Linda Johnson	<a href="http://news.yahoo.com/ims-us-medicine-spending-shows-rare-dip-2012-103739752.html">http://news.yahoo.com/ims-us-medicine-spending-shows-rare-dip-2012-103739752.html</a>
New data reveal puzzling differences in hospital charges	CMS spreadsheet, price disparities	There are huge disparities in cost for the same items and procedures not just geographically, but within the same cities. In Kansas City, patients can be treated for angioplasty at Olathe Medical Center for \$38,510 or, thirty minutes away at Research Medical Center, for \$100,493. While there are factors that go into the different rates for different procedures, they aren't necessarily apparent and don't make sense from a consumer standpoint, and there often isn't a relationship between the charges and the quality of care administered.	Tony Pugh and Alan Bavley, Kansas City Star, 5.8.13; story reposted on Topeka Independent Living Resources Center	<a href="http://www.tilrc.org/assests/news/0513news/0513fed08.html">http://www.tilrc.org/assests/news/0513news/0513fed08.html</a>
Hospital billing varies wildly, government data shows	price disparity, CMS	Written after CMS's spreadsheet release, this article provides a general overview of the price disparity in hospitals, the use of the chargemasters, and the role of Medicare, Medicaid, and third-party insurance companies in negotiating prices. It also reiterates that there is no explanation about specific cost disparities, and it highlights that a lack of transparency and a public focus on health insurance premiums mean that what hospitals are actually charging has largely been ignored.	NY Times, 5.8.13, Barry Meier, Jo Craven McGinty, and Julie Creswell	<a href="http://www.nytimes.com/2013/05/08/business/hospital-billing-varies-wildly-us-data-shows.html?pagewanted=all">http://www.nytimes.com/2013/05/08/business/hospital-billing-varies-wildly-us-data-shows.html?pagewanted=all</a>

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One hospital charges \$8,000—another, \$38,000	CMS, price disparities	Written just before the CMS spreadsheet was released, this article primarily highlights disparity of prices. Within D.C., the average bill for a lower-joint replacement at George Washington University was over three times the amount (\$69,000) of the same procedure at Sibley Memorial (≈\$30,000). At CJW Medical Center in Richmond, Va., a lower limb replacement averaged more than \$117,000, but it averaged \$25,600 in Winchester, Va. The disparity exists not just within regions but across the United States. California, Florida, Nevada, New Jersey, Pennsylvania, and Texas routinely have higher prices, while Idaho, Montana, and North Dakota tend to have the lowest. Additionally, for-profit hospitals have a tendency to bill Medicare at a nearly 30% higher rate, although, in many cases, the hospitals that submit the higher bills actually received lower payments than competitors. A concern was also expressed that an increase in transparency would lead to the misassumption that there is automatically a link between higher costs and higher quality of care, although this is not always the case.	The Washington Post Wonkblog, 5.8.13, Sarah Kliff and Dan Keating	<a href="http://www.washingtonpost.com/blogs/wonkblog/wp/2013/05/08/one-hospital-charges-8000-another-38000/">http://www.washingtonpost.com/blogs/wonkblog/wp/2013/05/08/one-hospital-charges-8000-another-38000/</a>
Avoiding emergency rooms	ER care	Many of the problems patients go to the emergency room with could easily be diagnosed and treated through a primary care physician (PCP), but the patient ends up going to the ER because their PCP is unreachable when needed. Up to half the problems brought to the ER do not require hospital care. For the patient, an ER trip can result in a lot of wasted time, a lot of (often unexpected) money spent, and even unnecessary hospitalization, tests, and other procedures. By and large, the medical profession hasn't filled the gap left when doctors don't work 24/7, causing many middle-class insured patients without real emergencies to turn to the ER, which is open 24/7, for care. In a brief issued in 2010, the New England Healthcare Institute reported that up to \$38 billion is wasted on the unnecessary overuse of ERs. This problem has been exacerbated by patients' ability to research symptoms on the Internet, especially when combined with their inability to get an appointment with their doctor either immediately or for the next day. A potential solution to this would be to increase walk-in or urgent-care clinics and to have patients with chronic conditions devise a care plan with their doctors that reduces the chances of needing emergency care.	NY Times Well blog, 4.15.13, Jane Brody	<a href="https://www.washingtonpost.com/news/wonk/wp/2013/05/08/one-hospital-charges-8000-another-38000/">https://www.washingtonpost.com/news/wonk/wp/2013/05/08/one-hospital-charges-8000-another-38000/</a>
Viva Mexico's rational health care system	price disparity, comparative healthcare	This article is a personalized account that compares Mexican health costs with those of America. Mexico has universal health care for its citizens. However, even with an American citizen having to foot the full bill, a nine-day hospital visit came out to about \$6,375. Using chargemasters from 24 hospitals in California, the author calculated the cost of the same stay in California and found the average cost would have been \$125,000, noting the vast fluctuation in costs from hospital to hospital. That total wouldn't have included the separate billing for procedures, testing, and specialists, all of which had been included in the Mexican bill.	Sacramento Bee, 4.7.13, Joe Livernois	<a href="http://www.sacbee.com/2013/04/07/5320435/viva-mexicos-rational-health-care.html">http://www.sacbee.com/2013/04/07/5320435/viva-mexicos-rational-health-care.html</a>



Price Transparency in the News: Selected Articles, 2012–2015

Article Title	Subjects	Summary	News Source	URL
<b>Bitter pill: Why medical bills are killing us</b>	price disparity and transparency, high cost of care	Basically the initial take Brill has while working on the now complete “America’s Bitter Pill,” except that this piece does focus a lot on price transparency and the inflated costs used by hospitals to calculate “charity care,” as one problem highlighted. [Need subscription for full article access.]	Time, 4.4.13, Steven Brill	<a href="http://time.com/198/bitter-pill-why-medical-bills-are-killing-us/">http://time.com/198/bitter-pill-why-medical-bills-are-killing-us/</a>
<b>Need price for healthcare? Ask for it</b>	California, San Joaquin Valley, tools for improving transparency, chargemaster	This article looks at the efforts that two hospitals in the San Joaquin Valley are making toward transparency. Mercy Medical Center reports all of its hospital charges to the Office of Statewide Health Planning and Development every year, and, in turn, the office makes that information available on its website. Mercy also has financial counselors available to help patients. Memorial Hospital Los Banos maintains and publicly posts its chargemaster prices, although those charges are not what they generally get paid. It is difficult to provide exact charges to patients, however, because the cost of treatment changes for individuals in each care setting.	Merced Sun-Star, 4.2.13, Yesenia Amaro; story reposted on Los Banos Enterprise, 4.6.13	<a href="http://www.losbanosenterprise.com/2013/04/06/205762/need-price-for-healthcare-ask-for.html">http://www.losbanosenterprise.com/2013/04/06/205762/need-price-for-healthcare-ask-for.html</a>
<b>Burgess, Green legislation provides patients transparent cost information</b>	H.R. 1326 Health Care Price Transparency Act of 2013	Introduced by Michael C. Burgess, MD (TX-26) and Gene Green (TX-29), this legislation aims to make health care more affordable by promoting greater transparency about the costs of health care services for patients.	Congressional Member site, 3.26.13	<a href="http://burgess.house.gov/news/documentsingle.aspx?DocumentID=325562">http://burgess.house.gov/news/documentsingle.aspx?DocumentID=325562</a>
<b>Many states don’t require disclosure of prices for medical procedures</b>	report on national report card on price transparency for 29 states	Summary report on states’ efforts to regulate and make public price transparency.	Washington Post, 3.25.13, Russ Mitchell	<a href="http://www.washingtonpost.com/national/health-science/many-states-dont-require-disclosure-of-prices-for-medical-procedures/2013/03/25/77937080-8fdb-11e2-9abd-e4c5c9dc5e90_story.html">http://www.washingtonpost.com/national/health-science/many-states-dont-require-disclosure-of-prices-for-medical-procedures/2013/03/25/77937080-8fdb-11e2-9abd-e4c5c9dc5e90_story.html</a>
<b>South Carolina’s failing grade on health care pricing transparency shows need for action</b>	response to report card on states’ price transparency regulations	This press release advocates for legislation that would reforms state Medicaid budgets to allow the agency to regulate for price transparency.	South Carolina Health Connections MEDICAID (SCDHHS), 3.25.13	<a href="https://www.scdhhs.gov/press-release/south-carolina%E2%80%99s-failing-grade-health-care-pricing-transparency-shows-need-action">https://www.scdhhs.gov/press-release/south-carolina%E2%80%99s-failing-grade-health-care-pricing-transparency-shows-need-action</a>
<b>Cataloging health care’s excesses</b>	Bitter Pill article	The article recaps highlights from the Bitter Pill article and elaborates on how health care is too expensive.	New York Times, 3.4.13, Albert Hunt, Bloomberg News	<a href="http://www.nytimes.com/2013/03/04/us/04iht-letter04.html?_r=0">http://www.nytimes.com/2013/03/04/us/04iht-letter04.html?_r=0</a>

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ER visit costs hard to predict with \$4 to \$24,000 swings	price disparity, high medical spending	The disparity in hospital charges for the same care is huge and often unpredictable. Often, neither doctors nor patients know what the final charge is going to be. The variation in prices depends on a number of things, including whether a person is insured, what sort of insurance that person has, and what procedures are done. Medical spending increased by 3.9% in 2011 and is expected to keep increasing. Given the way the system works, hospitals have incentive to make these final charges higher, and it is up to the patient (or the patient's insurance) to bargain to a lower price.	Bloomberg.com, 2.28.13, Ryan Flinn	<a href="http://www.bloomberg.com/news/2013-02-27/er-visit-costs-hard-to-predict-with-4-to-24-000-swings.html">http://www.bloomberg.com/news/2013-02-27/er-visit-costs-hard-to-predict-with-4-to-24-000-swings.html</a>
4 ways to control your health care costs	high cost of care	This article suggests four different ways that readers can control health care costs. The recommended methods are 1) just ask (patients should tell their doctor they are worried about costs and ask for less-expensive options); 2) befriend your local pharmacist (patients should talk with their local pharmacist about possible complications and duplications in the medications prescribed by different doctors and ask about generic alternatives); 3) do your research (read and understand insurance plans and learn the "fair price" for various care options); and 4) fight back (complain or appeal and use an outside reviewer when bills are still higher than expected).	cnn.com, 2.22.13, Jacqie Wilson	<a href="http://www.cnn.com/2013/02/21/health/cut-personal-health-care-costs/">http://www.cnn.com/2013/02/21/health/cut-personal-health-care-costs/</a>
Price for a new hip? Many hospitals are stumped	JAMA Internal Medicine article Feb. 2013; high cost of care	A paper published in the JAMA Internal Medicine reported findings from a study on the variability of health care costs. Without quality data to accompany price data, there's no way to know whether a cheap procedure is shoddy or a good value.	New York Times Well blog, 2.11.13, Elisabeth Rosenthal	<a href="http://well.blogs.nytimes.com/2013/02/11/price-for-a-new-hip-many-hospitals-are-stumped/">http://well.blogs.nytimes.com/2013/02/11/price-for-a-new-hip-many-hospitals-are-stumped/</a>
Doctors urged to be more mindful of costs of procedures they order	high cost of care, physician's role	This article is about the importance of physicians being aware of health care costs. Often, doctors are not only entirely oblivious to costs, but have been taught not to think about them. However, they should be aware of costs for two main reasons: to prevent the minor abnormalities of a bill that lead to snowballing charges, and to understand what patients can afford so they can consider alternatives for patients who are either uninsured or underinsured.	Chicago Tribune, 8.29.12, Lisa Pevzow	<a href="http://articles.chicagotribune.com/2012-08-29/health/ct-x-0829-doctor-payment-20120829_1_healthcare-blue-book-doctors-order-tests-medical-bills">http://articles.chicagotribune.com/2012-08-29/health/ct-x-0829-doctor-payment-20120829_1_healthcare-blue-book-doctors-order-tests-medical-bills</a>
When surprise hospital bills attack	price transparency, patients making informed decisions	Patients have a right to know about their medical care and medical costs. However, hospital billing is complicated and often indecipherable. A major area of complication is in-network versus out-of-network care. In 2012, Texas terminated the rules that meant patients would receive additional information or warnings about whether they would be on the hook for more money if they were hospitalized at an in-network facility but the doctor who was seeing them was an out-of-network specialist. Surprise fees such as this, as well as others (for example, facility fees that charge extra for nonhospital services and for outpatient clinics that are affiliated with the hospital) exist across the country and can push patients into putting off care when they need it.	FierceHealthcare, 8.24.12, Alicia Caramenico	<a href="http://www.fiercehealthcare.com/story/price-transparency-when-surprise-hospital-bills-attack/2012-08-24">http://www.fiercehealthcare.com/story/price-transparency-when-surprise-hospital-bills-attack/2012-08-24</a>

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Finding common ground on price transparency	Surgery Center of Oklahoma	This editorial looks at the Surgery Center of Oklahoma, which posts the price of more than 100 procedures it performs. The prices are total-package prices, so they include things such as the surgeon's and anesthesiologist's fees. The center's chief medical director G. Keith Smith claims that since the Surgery Center started posting its prices, other local hospitals have lowered theirs, although they still don't post the information anywhere. Smith would like to see every hospital post its prices, thus creating a free market that would keep prices low.	FierceHealthFinance, 7.24.12, Ron Shinkman, editor	<a href="http://www.fiercehealthfinance.com/story/finding-common-ground-price-transparency/2012-07-24">http://www.fiercehealthfinance.com/story/finding-common-ground-price-transparency/2012-07-24</a>
Surgery prices vary significantly across hospitals	price disparity	A report by a consumer advocacy group (CALPIRG Education Fund) concluded that the prices of surgical procedures vary from hospital to hospital, even among hospitals in the same region. As of 2010, hospitals in the highest-charging areas had prices that were 2.7 times greater than hospitals in the lowest-charging areas. The report also found that hospitals that had larger market clout could charge more for their procedures. The report found no correlation between price and quality and more transparency is needed from hospitals about how they arrived at their charges, how much was actually paid, and what the actual cost of providing care was.	FierceHealthcare, 7.17.12, Alicia Caramenico	<a href="http://www.fiercehealthcare.com/story/surgery-prices-vary-significantly-across-hospitals/2012-07-17">http://www.fiercehealthcare.com/story/surgery-prices-vary-significantly-across-hospitals/2012-07-17</a>

\* From most to least recent.