

July 18, 2023

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem S. Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Schumer, Leader McConnell, Speaker McCarthy and Leader Jeffries:

We are a non-partisan group of organizations that represent consumers, patients, businesses, purchasers, and physicians who are working together to make high-quality health care more affordable. We believe that improving access to affordable health care is an economic and social imperative. Transparency is a crucial part of making health care more affordable and accessible and informing policy solutions to lower health care costs.

High and rising health care prices are putting an unprecedented financial burden on consumers, employers, and taxpayers. Reducing unwarranted health care spending starts with pulling back the curtain to unveil the irrational variation in prices and to inform action to lower the prices people pay. While transparent hospital pricing is essential for fostering a fair and affordable health care system, the U.S. health care system is still plagued by a fundamental lack of transparency.

Consumers have a right to know what they pay for health care services before they happen. Yet they are often left in the dark about the actual costs of procedures, services, and medications and face wildly different prices for the same services depending on the provider they see. For example, the price¹ of a C-section in Boston ranges from over \$5,700 to \$23,800, while the price of a blood test in El Paso, Texas ranges from \$144 to \$952. The lack of transparency not only hinders consumers from making informed decisions, but prevents patients from engaging with their physicians in a well-informed decision-making process.

Greater price transparency can also inform effective solutions to address high health care spending. By arming purchasers and policymakers with data on where the highest and most irrational prices are occurring, transparency can inform targeted policies to make health care more affordable.

¹ Brennan, K. K. W. J. S. R. N. (2020, February 12). *Past the price index: Exploring actual prices paid for specific services by metro area*. HCCI. <https://healthcostinstitute.org/hcci-research/hmi-2019-service-prices>

The Biden and Trump administrations have taken steps to improve transparency. The Hospital Price Transparency Rule, which went into effect in January 2021, requires hospitals to publicly publish certain prices with the goal of making pricing information available for shoppable services in a consumer-friendly format. However, despite the efforts to implement and strengthen the price transparency rule, the prices hospitals charge for care are still largely obscure. More needs to be done to ensure hospitals comply with the law and that the information provided to patients is clear, easily accessible, and comprehensive. Reports show just over half of hospitals² have fully complied with the law. In addition, the price transparency information shared by hospitals is often inconsistent,³ poor quality, and missing key data points—making it challenging to understand the data and to use it to compare prices across hospitals.

The lack of hospital compliance has been a major source of frustration for policymakers⁴ and voters alike. A recent poll⁵ shows 87% of voters support requiring hospitals to publicly disclose their prices.

We urge you to take decisive action to ensure that patients, their physicians, employers, policymakers, and researchers have access to accurate and comprehensive information about health care prices. We strongly support and urge you to pursue policies to codify the Hospital Price Transparency Rule, to make the price transparency data more usable and accessible for all by sharpening and standardizing the data requirements, and to increase the penalties and enforcement for noncompliance. We look forward to working with you to enact common sense improvements to make health care more transparent and affordable for all Americans.

Sincerely,

American Academy of Family Physicians

Purchaser Business Group on Health

AARP

Small Business Majority

American Benefits Council

The ERISA Industry Committee

Arnold Ventures

The Leukemia & Lymphoma Society

Families USA

² Severn, C. (2022). Price Transparency Impact Report. *Turquoise Health*.

https://s3.us-west-1.amazonaws.com/assets.turquoise.health/impact_reports/TQ_Price-Transparency-Impact-Report_2022_Q3.pdf

³ *Ongoing challenges with hospital price transparency - Peterson-KFF Health System Tracker*. (2023, February 10). Peterson-KFF Health System Tracker. <https://www.healthsystemtracker.org/brief/ongoing-challenges-with-hospital-price-transparency/>

⁴ United States, Congress, House, Energy and Commerce.

<https://d1dth6e84htgma.cloudfront.net/legacy/uploads/2021/09/Pallone-CMR-HHS-Letter-on-Transparency-Rule-Proposed-Changes.pdf>

⁵ Arnold Ventures, LLC. (2023c, March 27). New poll: Majority of voters support aggressive congressional action. . . Arnold Ventures.

<https://www.arnoldventures.org/stories/new-poll-majority-of-voters-support-aggressive-congressional-action-to-lower-hospital-prices>