

Legislation on Hospital Price Transparency Proposed in Wisconsin

Despite Wisconsin hospitals earning 4.5 out of 5 stars from a private sector company for having available and complete price transparency files as required by the federal government, and despite no hospital being fined by the federal government for failure to comply with the federal regulations, on May 3, a new bill on hospital price transparency creating state-level regulations on top of the already existing federal requirements was announced by four legislators in Wisconsin.

“WHA is committed to improving health care costs and advancing transparency within the entire health care system. Wisconsin hospitals are national leaders in complying with federal transparency law and that is why WHA believes this legislation is unwarranted,” said WHA President and CEO Eric Borgerding. “Further, the legislation creates a new set of state regulations and penalties that will complicate and confuse compliance with existing federal regulations and penalties being rigorously enforced by the Centers for Medicare and Medicaid Services (CMS).”

Effective Jan. 1, 2021, hospitals across the country were required by the federal government to post on their website payer-specific rates they receive from all commercial insurance companies. This rule initially came with confusing guidance from the Centers for Medicare & Medicaid Services (CMS) and in the middle of a global pandemic when resources within hospitals were already strained.

Since then, the federal government has acknowledged hospitals have made “substantial progress” in implementation. In fact, CMS noted that compliance with the federal rule at a national level has improved from 30% in 2021 to 82% in 2022. This increase in compliance has been aided by improved guidance from CMS.

In Wisconsin, data indicates that our hospitals outperform the national average. According to [Turquoise Health](#), a third-party group that has downloaded and analyzed 5,400 hospital transparency files, Wisconsin hospitals are rated 4.5 out of 5 stars in the completeness of hospital transparency data. This compliance rating is in addition to the price transparency, shoppable services and price estimator initiatives that hospitals have implemented on their own. Moreover, Turquoise Health has already released its own price comparison tool, using the files that are available from hospitals, indicating that the private sector is already ahead of any state level regulations.

The [proposed legislation](#) would differ from the federal requirements in several ways, including in the timelines and penalty amounts. Importantly, it would also allow the state’s Department of Health Services to create its own file template and reporting format which could differ from the federal requirements.

Having different state-level formats stands in contrast to what private sector organizations like Turquoise Health say is needed. In a recent report, Turquoise called for the federal government to create uniformity, saying that “The movement toward uniform schemas benefits all parties looking to extract hospital pricing data.”

“Bottom line, our hospitals are ahead of the curve and new, publicly available price and quality transparency tools are emerging every day making this legislation unneeded in a leader state like Wisconsin,” said Borgerding.

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