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Skewed Claims About Hospital Price Transparency Debunked at E&C Hearing

On March 28, the House Energy and Commerce (E&C) Subcommittee on Health held a hearing entitled "Lowering Unaffordable Costs: Examining Transparency and Competition in Health Care."

The hearing delved into the Trump administration's Hospital Price Transparency Rule, with some questioning hospital compliance with the federal regulation while continuing to say and ask nothing about health insurer compliance with similar transparency mandates.

“Hospital pricing is complex and business strategies mean that some service lines subsidize others, which could lead to confusion. Prices also change with new managed-care contracts and hospitals have to juggle price transparency with efforts to recruit doctors and other pressing tasks," said Matthew Forge, CEO of Pullman Regional Hospital in Washington (and former CEO of Osceola Medical Center in Wisconsin).

Despite some misleading and poorly crafted reports, CMS found substantial improvement with hospital transparency reporting compliance in 2022; 70% of hospitals complied with both the consumer-friendly display of shoppable services as well as the machine-readable file requirements. In Wisconsin, no hospitals have been cited for failure to comply with the rule, and hospitals average 4.5 out of 5 stars on the Turquoise Machine Readable File Transparency Score website. The CEO of Turquoise Health, Chris Severn, served as one of the witnesses on the committee and suggested CMS's lack of a standard reporting format for hospitals when the rule was first rolled out was partially to blame, leading to confusion about whether a hospital was compliant.

Notably, payers continued to dodge similar scrutiny and accountability relating to their compliance with federal transparency rules, a trend that is starting to gain notice.

The panel also delved into other topics, including the 340B prescription drug discount program, with some members of Congress wondering whether the program needed more guardrails or reporting requirements.

This scrutiny of hospitals and 340B coming even as the cost of drugs for hospitals skyrockets and drug company profits, including those who manufacture COVID vaccines, soar.

Forge pushed back on that assertion, noting that in some rural communities, hospitals are already unable to participate in the program because of its complex regulatory requirements. WHA has fiercely advocated for protecting 340B and noted that additional regulatory requirements would require hospitals to devote even more resources toward compliance staff and away from patient care, with no added benefit to the federal government.

The panel also brought up site-neutral payments and the ban on establishing physician-owned hospitals. The American Hospital Association released studies this week that highlight the dangers of pursuing these policies. See New AHA Report Highlights Value of Hospital Outpatient Departments and Danger of "Site-Neutral" Payments and New Analysis of Physician-Owned Hospitals Highlights Cherry-Picking Lucrative Patients While Delivering Lower Quality Care, also in this week's edition of *The Valued Voice*.

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- New Analysis of Physician-Owned Hospitals Highlights Cherry-Picking Lucrative Patients While Delivering Lower Quality Care

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- New AHA Report Highlights Value of Hospital Outpatient Departments and Danger of "Site-Neutral" Payments
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