Ohio Hospital Association Testimony on Sub. S.B. 97

Senate Health, Human Services and Medicaid Committee

September 18, 2019

Good afternoon, Chairman Burke, Ranking Member Antonio, and Members of the Committee.

My name is Sean McGlone. I am General Counsel at the Ohio Hospital Association. On behalf of our member hospitals across the state, we appreciate the opportunity to provide testimony today in support of Sub. S.B. 97 and the concepts captured in this proposal. Our organization has been working on this issue collaboratively with our member hospitals and other provider groups for the past several years.

As we frame this discussion, it is important to note that hospitals support efforts to make health care pricing more transparent. Providers across the health care spectrum have taken many meaningful steps in recent years to make prices more transparent – including efforts to publicly post prices for common services on websites, providing estimates for certain common and "shoppable" services, informing patients of cost-sharing obligations for scheduled services, responding to patient inquiries about the cost of services, purchasing expensive technologies to facilitate providing estimates to patients, and other similar efforts. There is certainly more to be done, but good progress is being made.

Hospitals, physicians, and other providers have taken these steps not because a law or regulation requires them to, but because the competitive health care market and patient demand has caused them to respond in this way. That is a good thing for patients and for the health care system generally, and market forces have pushed providers in that direction much more effectively than government regulation. In fact, no state legislative or regulatory approach to health care price transparency can really be held up as a silver bullet – many states are struggling with this issue, but none have legislated a solution that can be held up as a model to affirmatively solve this complex issue. But again, market forces have moved providers in that direction.

Our members' goals as it relates to legislative proposals concerning price transparency are two-fold:

- To provide meaningful information to patients that allows them to make informed decisions about their health care; and
- To provide that information in a way that is administratively manageable and with which providers can comply. Nobody benefits from passing laws with which it is impossible to comply.

In an era of increasing consumerism, more and more patients are asking for estimates, and providers are responding. What patients want to know is how much something is going to cost them out of their pocket. Sub. S.B. 97 makes progress in providing that information to consumers when they ask for it for scheduled services, and we believe hospitals can put systems in place to comply with such a requirement, with the assistance of payers. A few other states have requirements similar to those in Sub. S.B. 97, but we do not believe any of them require the hospital to estimate the consumer's out-of-pocket obligation – the other states limit the information to the gross charges, which do not take into account the individual consumer's insurance coverage.

In order to provide meaningful price information to patients, hospitals look forward to continuing to work collaboratively with patients, other providers, and payers to continue to make advances in the availability of pricing information. Providers alone often do not have all of the information necessary to provide a patient a meaningful estimate of the cost of a health care service. It will take engagement from diverse health care stakeholders to continue to make progress regarding this important topic. We look forward to the opportunity to continue this dialogue with you and the payer community.

But Sub. S.B. 97 is certainly a step in the right direction and OHA is pleased to lend our support.

Thank you again for the opportunity to share hospitals' perspective on this issue. I would be happy to answer any questions you may have.