



WRITTEN TESTIMONY FOR HB 49

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Good afternoon, Mr. Chairman and Representatives. Thank you for the opportunity to testify today about HB49. My name is Ilaria Santangelo, and I am the Director of Research at PatientRightsAdvocate.org, a non-profit, non-partisan organization seeking real prices, real choices, and a functional marketplace in healthcare. We strongly believe that the single most important way to achieve this is through systemwide healthcare price transparency.

I led the team that created the recent Hospital Price Transparency Compliance Report, which found that only 24.5 percent of hospitals nationwide were fully complying with *every* regulation in the federal price transparency rule, in effect now over two years. Ohio hospitals fared worse at 18 percent.

Before we get into it, I want to mention the elephant in the room. I know CMS found that a majority of hospitals posted a file, but we can't draw comparisons from their *blogpost* to our *fully comprehensive report*. In their blogpost they state, which I quote, 'the results cannot be used to determine compliance with respect to *every* regulatory requirement, which often necessitates a more detailed analysis and direct interaction with the hospital, as occurs during a comprehensive compliance review.' CMS makes it clear that their blogpost is not a detailed, comprehensive compliance review and we should not view it as such.

As of January 2023, CMS has reportedly sent 500 warning notices and over 230 corrective action plans to hospitals that are not fully abiding by the federal regulation. That's 730 hospitals they have flagged for noncompliance. But in their blogpost, they surveyed 600 hospitals, 420 (70%) of which were compliant? Their numbers don't add up and their website assessment should by no means be misconstrued for a compliance review.

Here at PRA, we are transparent about our methodology, which CMS is not. We believe that partial compliance is noncompliance. Also, it's worth mentioning that

the Office of the Inspector General is investigating CMS on their enforcement of this rule.

As you know, by law, hospitals must post prices for all of the items and services they provide clearly and completely by payer and plan, including cash prices. Some Ohio hospitals such as MetroHealth are doing a great job of this. Other Ohio hospitals, not so much.

The two biggest forms of noncompliance we are seeing amongst Ohio hospitals are:

1. Hospitals are not listing plan names in their machine-readable files as required by law, and
2. Hospitals are using an incomprehensible amount of N/As, hyphens, dashes, blanks, and various forms of non-pricing information, instead of actual prices.

In regards to payer and plan, the rule could not be more clear. Page 318 of the federal regulations state: ‘Each payer specific negotiated charge must be clearly associated with the name of the third party payer *and plan*.’ MetroHealth is doing a great job of this. As an example, they list Aetna, HMO, PPO, POS, and Anthem HMO and PPO.

And while we understand hospitals won’t have a price for *every* item and service they provide, we find that hospitals are taking advantage of N/As or other types of non-pricing information at a large scale. When majority of the pricing file contains no prices, that raises some understandable concerns. When we do a deeper dive into the data, we are finding prices for these N/As in the Transparency in Coverage files. That means prices do exist for the items represented as N/As because we can see they are billing for them.

By not listing a price, hospitals are directly opposing what CMS promulgates in their rule, and again I quote from *their* federal regulation: “...we proposed to define standard charges by the regular rate established by the hospital for an item or service. . . The term “Rate” is defined in the Oxford dictionary as “a fixed price paid or charged for something, especially goods or services.” (Federal Register, Vol. 84, No. 229, 11/27/2019, p.65539.)

Fixed prices are the expectation, not the various forms on non-pricing information we are finding. We must hold hospitals accountable to sticking to the intent of the rule.

And despite what the hospitals say, this is easy. Notice that the only groups opposed to this transparency are from the hospitals. If MetroHealth, a safety net hospital in Cleveland can do a beautiful job of complying, all Ohio hospitals can fully comply.

Only when consumers can compare prices, and see, for instance, that an MRI can cost \$300 or \$3,000, can they make good purchasing decisions. Fully compliant price transparency would unleash competition, level out price variations, and lower healthcare costs for all patients, employers, unions and workers.

I also think this is also really important: estimates do not work. And this bill recognizes that. They provide no accountability, and the estimates hospitals actually provide, disclaim that it will not be the final price, and they make patients check a box to make sure they agree. We don't tolerate this elsewhere. Let's stop tolerating it in healthcare.

We strongly support HB49. This bill would not only promote price transparency but also will allow patients to take care of their physical health, while protecting their financial wealth.

Please vote in favor of this bill. Ohioans need this. Double down on the federal law and let Ohio take the lead in revolutionizing healthcare in our country, holding Ohio hospitals accountable, and lowering healthcare costs for all Ohioans.

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