Medical Xpress

How much does it cost to have a baby in a hospital?

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Women giving birth in California can face a huge cost difference in their hospital bills, according to a new UC San Francisco study.

The study found that California women giving birth were charged from $3,296 to $37,227 for an uncomplicated vaginal delivery, depending on which hospital they visited. For a C-section, women were billed between $8,312 and nearly $71,000. Few of the women in the study had serious health issues and most were discharged within six days of admission.

For the more than half million women who give birth at California hospitals every year, medical costs are difficult to predict and can result in differences of thousands of dollars among facilities even in the same geographic area, the researchers said.

"Unlike other industries, the way health care is priced and paid for is notoriously opaque, making it difficult for patients to act as educated, price-comparing consumers," the authors wrote.

The study will be released online at 12:01 a.m. (ET) on Thursday, January 16, 2014 in *BMJ Open*.

"This is unfortunately the appalling state of affairs of health care in the United States," said lead author Renee Y. Hsia, MD, an associate professor of emergency medicine at UCSF. She is also an attending physician in the emergency department at the UCSF-affiliated San Francisco General Hospital & Trauma Center and a faculty member of

the UCSF Institute for Health Policy Studies.

"Childbirth is the most common reason for hospitalization, and even for an uncomplicated childbirth, we see a staggering difference in what hospitals charge, even for the same, average patient," Hsia said. "These charges affect not only the uninsured, but also the fee-for-service reimbursements by some private insurers, which can translate to out of pocket costs for patients."

The researchers analyzed data on nearly 110,000 individual cases in California during 2011 involving women with private medical insurance. Of the cases studied, 76,766 involved uncomplicated vaginal deliveries, and 32,660 involved uncomplicated Caesarean section births.

The analysis considered not only billed charges but also estimated how much hospitals were reimbursed for births, based on aggregate discount rates for private insurers that the authors applied to the childbirth charges. The researchers accounted for patient-specific demographic and clinical differences.

On average, the estimated discounted prices paid by insurers amounted to 37 percent of the original hospital bill. The authors calculated that hospitals billed $1.3 billion in "excess charges" among the women studied—the difference between charges and reimbursements.

The study also analyzed whether characteristics of hospitals influenced what they charged patients for their stays. The authors found that in California, hospitals charged significantly more if they were in areas with higher costs of living, were for-profit, or had a more severely ill patient population.

The researchers said that health care pricing in the United States is largely based on an outdated pricing and payment structure, with medical

charges poorly reflecting actual costs. Given a lack of regulation affecting medical charges, variation in hospital prices is to be expected, the authors said.

"At a time when out-of-pocket payments for health care are increasing, and the growing number of 'consumer-directed' high deductible health plans put more pressure on patients to make cost-efficient health care decisions, the opacity of health care pricing is increasingly concerning," the authors wrote.

Provided by University of California, San Francisco

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