

As hospitals post price lists, the public is asked to check them

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Federal officials required hospitals nationwide this year to post their "list" prices online. But it's not yet clear how many are doing it, even as the government has taken the rare step of asking consumers to monitor

hospital compliance.

Most hospitals appear to be complying with the rule, according to [hospital](#) officials and a small sampling of websites.

However, the [federal officials](#) acknowledge that they are not yet enforcing the rule, industry groups are not monitoring compliance, many hospitals are burying the information on their websites and debate continues about whether the price lists are creating more confusion than clarity among consumers.

The rule took effect Jan. 1, after a yearlong controversy about its necessity and usefulness. It requires every hospital in the country—about 6,000—to post its full price list online.

The lists, known in the industry as "chargemasters," present [prices](#) for the thousands of individual services and products for which a hospital may bill.

The problem is that services and products are identified in obscure abbreviations, billing codes and medical terminology that even doctors or nurses often don't understand.

Additionally, the lists rarely reflect final billed charges because insurers and the government generally negotiate significantly lower prices. In most cases, the posted rates are the highest a hospital would ever charge per service.

Even so, officials at the Centers for Medicare & Medicaid Services said full public disclosure was a logical first step in a transparency initiative aimed at eventually encompassing physician and prescription drug prices.

The CMS contends that the listings will help patients compare facilities, spur competition among hospitals to lower prices and prompt software developers to build tools that consumers can use to comparison-shop.

"We think this information will empower patients," said Seema Verma, the CMS administrator. "And we look forward to seeing consumers continue to drive the demand for hospitals to provide greater price transparency."

Verma has enlisted the public in an unusual effort to monitor whether hospitals comply. In appearances, opinion pieces and through social media, she has urged consumers to check their local hospitals' websites to see if chargemaster lists are posted and let the agency know if they are not.

While putting off enforcing the law, CMS has instead invited hospitals and the public to weigh in on possible enforcement mechanisms and suggest future price transparency measures. Hundreds of comments have been submitted.

Under the agency-initiated Twitter hashtag #WherethePrice, a dialogue has ensued. In one case, a Texas man, Matt Kleiber, checked 31 hospitals and medical centers in Houston and found one [health system](#), Memorial Hermann, which operates 16 hospitals, not in compliance.

After a reporter's inquiry, Kathryn Williams, a spokeswoman for Memorial Hermann, said in early February that the hospital system was complying. She said they interpreted the government's rule as allowing a shorter, easier-to-understand price list to be posted.

Subsequently, in late February, the hospital posted its full chargemaster list, as the regulation requires.

"What we posted (initially) was much easier for our patients to understand," Williams said. "We don't think the chargemaster list is helpful ... and we stand by our position that the information we have had posted on our website since Jan. 1 is consistent with CMS' guidance."

Other reports of noncompliance at #WherethePrice appeared to be the result of incomplete website explorations by consumers. A check of the websites of six cited hospitals showed that the price lists were posted. On all but one of the sites, however, the information was not prominently displayed.

About a dozen hospital websites reviewed by Kaiser Health News included an accompanying—and often prominent—disclaimer saying the information doesn't reflect typical final charges and is difficult to understand.

Accompanying its chargemaster list, for example, Saline Memorial Hospital in Benton, Ark., says: "The amount listed [for each service] is not necessarily reflective of your actual financial responsibility. ... We recommend that all patients contact their insurer or Saline Health System to discuss their individual situations and determine the potential out-of-pocket costs of their care."

Ariel Levin, senior associate director of state issues at the American Hospital Association, said hospitals have been reluctant to draw too much attention to their price lists.

"Most hospitals think this information will not help patients," Levin said. "And many think it only confuses people."

Levin said the AHA is not monitoring its members' compliance, and she doesn't think other hospital trade groups are either.

"But all the hospital websites we have checked so far have been in compliance, and we believe the vast majority are abiding by the rule," Levin said. Small rural hospitals may take longer to comply, she said.

The CMS and the AHA said a few hospitals offer consumer-friendly price transparency that goes significantly beyond the chargemaster price lists.

St. Luke's University Health Network, a 10-hospital system with 300 outpatient clinics in Pennsylvania and New Jersey, several years ago introduced an online tool with two features, "PriceLock" and "PriceChecker."

Francine Botek, the hospital's senior vice president for finance, said PriceLock allows patients to get an all-inclusive price for 80 percent of the hospital's outpatient services even if a patient doesn't enter insurance information. PriceChecker permits people to enter insurance information and other data to help calculate their out-of-pocket costs.

The tools are only slowly gaining traction among consumers, Botek said. In 2018, 35,200 people used PriceChecker, averaging about 2,500 a month. Over the past three years, about 3,600 have used PriceLock.

The University of Utah, which owns four hospitals, has a similar online out-of-pocket cost estimator for about 600 common (mostly outpatient) services and procedures—giving a single price that lists the charges for each. People with or without insurance can use the tool. Those without insurance get an across-the-board 30 percent discount off the list price, and larger discounts are sometimes available.

Kathy Delis, who oversees billing at University of Utah Health, said the hospital system plans this year to market the tool to the public more aggressively.

"It's going to take time to engage patients," Delis said. "We have urged CMS to move beyond the chargemaster rule as soon as possible."

A few states require hospitals to give consumers price estimates. The laws are limited in scope, however. In 2018, Colorado became the latest state to enact such a law. It mandates that hospitals post "self-pay" prices for the 50 conditions that yield the most revenue from Medicare. Doctors must also post prices for their 15 most popular procedures.

An older California law requires hospitals to disclose prices for the top 26 outpatient services by revenue.

A spokesperson for the CMS said the agency plans to issue its next regulation on hospital price transparency this year.

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