New research across 1,600 US hospitals shows why self-pay ER facility fees vary widely

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A new study by researchers from The Hilltop Institute at UMBC of over 1,600 hospitals across the U.S. shows self-pay cash prices for emergency room (ER) facility fees vary with hospital and regional characteristics.

The study, published in *Health Affairs*, examines ER facility fees specifically. In addition to charging for care provided during an ER visit—such as imaging scans, medications, and procedures—hospitals typically charge ER facility fees as a way to cover the hospitals' overhead costs.

Hilltop's Morgan Henderson, principal data scientist, and Morgane Mouslim, policy analyst, have gathered and analyzed data from 1,621 hospitals across the U.S. and found that the median "self-pay" price for facility fees ranges from $161 to $1,097, and that the corresponding list price ranges from $263 to $1,847.

Their study links hospital and regional characteristics to the self-pay prices in order to investigate which factors appear to be associated with higher (or lower) ER self-pay facility fees. The researchers found that for-profit status and a higher number of beds are consistently associated with higher ER cash price facility fees. However, hospitals located in areas with higher poverty rates tend to have lower cash prices for ER facility fees.

Leveraging the data

Analysts have previously noted that ER facility fees may be a key cost driver in patient ER bills. A 2021 hospital price transparency regulation mandates that almost all hospitals across the country disclose previously confidential data on the prices that they charge. This new data provides an opportunity to further investigate ER facility fees.

Henderson and Mouslim worked with the newly released "standard

charge" data, assembling their own novel data set of ER facility fees for self-pay patients across hospital and regional characteristics.

"We focused on ER facility fees because this is a relatively standardized outcome. Almost everyone going to an ER will be charged a facility fee," says Mouslim. "And we focused on the self-pay price because, while ER patients are both medically and financially vulnerable, individuals who are uninsured and must pay cash are potentially much more financially vulnerable still."

"From the data, we see that the cash prices are consistently lower than the list prices, which makes sense since the regulation literally calls these 'discounted' cash prices," says Henderson. "Meanwhile, location in a county with a poverty rate of 16 percent or more was correlated with lower facility fee cash prices for ER visit levels 2 and up."

Henderson and Mouslim hope these study results can help to inform targeted policy efforts to make sure ER care is affordable for the most vulnerable patients.

More information: Hospital And Regional Characteristics Associated With Emergency Department Facility Fee Cash Pricing, *Health Affairs* (2022). DOI: 10.1377/hlthaff.2022.00045

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