

Facility fees charged by hospitals for colonoscopy procedures higher than those charged by surgical centers

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U.S. hospitals charge facility fees for colonoscopy procedures covered by private health insurance that are on average approximately 55% higher than facility fees billed by smaller clinics known as ambulatory surgical centers, according to a study led by researchers at the Johns

Hopkins Bloomberg School of Public Health.

The findings appear as a research letter published Dec. 15 in *JAMA Health Forum*.

Colonoscopies are widely used for cancer screening among people who are middle-aged and older and/or have a family history of colorectal cancer, with current guidelines recommending colonoscopies starting at age 50. The outpatient procedures are routinely performed at hospitals and [ambulatory surgical centers](#).

Under a Transparency in Coverage requirement that went into effect in July 2022, insurers must publish their in-network rates for covered items and services. The analysis, one of the first to use Transparency in Coverage data, found that hospitals billed an average of \$1,530 in facility fees for colonoscopies, \$1,760 for colonoscopies with biopsy, and \$1,761 for colonoscopies with removal of polyps, compared to \$989, \$1,034, and \$1,030 in facility fees at ambulatory surgical centers.

The researchers determined that colonoscopy facility fees were, respectively, 54, 56, and 61% higher for hospitals than ambulatory surgical centers located in the same county and contracting with the same insurer. (The study did not analyze facility fees charged under Medicaid and Medicare insurance.)

"These price differences for the same services are hard to justify," says study senior author Ge Bai, Ph.D., CPA, a professor in the Bloomberg School's Department of Health Policy and Management. "Higher prices mean higher premium payments from patients and higher premium contributions from their employers."

Bai is also a professor of accounting at Johns Hopkins Carey Business School. The study's first author was Yang Wang, Ph.D., assistant

research professor in the Bloomberg School's Department of Health Policy and Management.

Over the past century, [health care](#) in the United States has shifted from a simple, individual-based system to a regulated, insurance-based system. That shift has weakened the market forces that, for [health care providers](#), would normally compel price transparency and constrain pricing power. Providers in recent decades have largely not made available their prices to the public, and often charge dramatically different prices for the same service.

The Transparency in Coverage rule stems from an executive order issued June 2019 by the Trump Administration that went into effect July 1, 2022. The rule is meant to stimulate competition and reduce prices by restoring [price transparency](#); it requires insurers to post prices for covered items and services.

In their study, the researchers analyzed Transparency in Coverage data for 13,287 colonoscopy facility fees charged by 3,582 hospitals and 17,052 ambulatory surgical centers in 50 states and Washington, D.C., as of May 2023. The data came from four major private health insurers: Cigna, Anthem, Healthcare Service Corp., and UnitedHealthcare, and covered three types of colonoscopy procedures: colonoscopy, colonoscopy with biopsy, and [colonoscopy](#) with removal of polyps.

Bai notes that while hospitals incur [higher costs](#) primarily due to their greater overhead expenses, these pricing differences could be burdensome. The study suggests that patients could benefit from site-neutral payment policies that remove [price differences](#) based on the service site for standard services such as colonoscopies.

The authors note in the research letter that results might not be generalizable to other procedures or non-major insurers.

"Facility Fees for Colonoscopy Procedures at Hospitals and Ambulatory Surgical Centers" was co-authored by Yang Wang, Yuchen Wang, Elizabeth Plummer, Michael Chernew, Gerard Anderson, and Ge Bai.

More information: Facility Fees for Colonoscopy Procedures at Hospitals and Ambulatory Surgical Centers, *JAMA Health Forum* (2023).

Provided by Johns Hopkins University Bloomberg School of Public Health

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