Whereas, Healthcare transparency is an important issue in Congress and in many states with innovative bills cropping up from coast to coast; and

Whereas, A 2018 Gallup Poll found that a greater percentage of Americans (55%) stated that they worry “a great deal” more about the availability and affordability of health care than about 14 other major social issues such as crime, the economy, unemployment, terrorist attacks, and the availability of guns; and

Whereas, A 2018 study found that the median price of a magnetic resonance imaging (MRI) scan of the spine ranges from $500 to $1,670 in Massachusetts, which is also more than a 200-percent difference; and

Whereas, American Medical Association CEO James L. Madera, MD wrote a letter to US Senators on 3/23/2018 stating “The lack of complete, accurate, and timely information about the cost of health care services prevents health care markets from operating efficiently”; and

Whereas, Hospitals across the U.S. were required to post online their pricing for medical services on Jan. 1 2019 under a new federal law (CMS-1694-F); and

Whereas, While publishing prices is an effort to increase transparency, the data may do little to affect consumers and their healthcare costs--the information isn’t easy to decipher and many other factors go into the bill patients eventually pay; and

Whereas, The proposed Department of Health and Human Services (HHS) rule, titled “21st Century Cures Act: Interoperability, Information Blocking, and the ONC Health IT Certification Program,” wants to take this a step further and require hospitals to disclose the prices they negotiate with health insurance companies to increase pricing transparency and reduce “surprise” medical bills; and

Whereas, Under the price information section (pages 90-92) in the 187-page document, the HHS outlines a variety of changes the rule would put in place. This includes provisions such as requiring hospitals to share the entire pricing process, from list price to cost negotiated with a patient’s health plan, including out-of-pocket expenses. It also mandates a tool so you could compare prices ahead of time and information on the cost of emergency services, such as ambulance rides; and

Whereas, The proposed rule also states: Pricing information continues to grow in importance with the increase of high deductible health plans and surprise billing, which have resulted in an increase in out-of-pocket health care spending. Transparency in the price and cost of health care
care would help address the concerns outlined above by empowering patients to make informed 1
health care decisions⁴; and

Whereas, The American Hospital Association supports state-based efforts but may oppose the 4
proposed pricing changes, saying patients only care about their out-of-pocket costs, not the 5
whole pricing system⁵,⁶; and

Whereas, We believe it is in the best interest of our patients to know the cost of their health care 8
prior to receiving the care and that a patient-based fee transparency model would be beneficial 9
to our patients; therefore be it

RESOLVED, That our American Medical Association advocate for federal legislation and/or 12
regulation to require disclosure of hospital prices negotiated with insurance companies in effort 14
to achieve third-party contract transparency (Directive to Take Action); and be it further

RESOLVED, That our AMA advocate for federal legislation and/or regulation to require 16
pharmaceutical companies to disclose drug prices in their television (TV) ads in order to provide 17
consumers more choice and control over their healthcare. (Directive to Take Action)

Fiscal Note: Not yet determined

Received: 04/15/19

RELEVANT AMA POLICY

Price Transparency D-155.987

1. Our AMA encourages physicians to communicate information about the cost of their professional services to 1
individual patients, taking into consideration the insurance status (e.g., self-pay, in-network insured, out-of-network 2
insured) of the patient or other relevant information where possible.

2. Our AMA advocates that health plans provide plan enrollees or their designees with complete information 4
regarding plan benefits and real time cost-sharing information associated with both in-network and out-of-network 5
provider services or other plan designs that may affect patient out-of-pocket costs.

3. Our AMA will actively engage with health plans, public and private entities, and other stakeholder groups in their 7
efforts to facilitate price and quality transparency for patients and physicians, and help ensure that entities promoting 8
price transparency tools have processes in place to ensure the accuracy and relevance of the information they 9
provide.

4. Our AMA will work with states to support and strengthen the development of all-payer claims databases.

5. Our AMA encourages electronic health records vendors to include features that assist in facilitating price 10
transparency for physicians and patients.

6. Our AMA encourages efforts to educate patients in health economics literacy, including the development of 11
resources that help patients understand the complexities of health care pricing and encourage them to seek 12
information regarding the cost of health care services they receive or anticipate receiving.

7. Our AMA will request that the Centers for Medicare and Medicaid Services expand its Medicare Physician Fee 14
Schedule Look-up Tool to include hospital outpatient payments.

Citation: CMS Rep. 4, A-15; Reaffirmed in lieu of: Res. 121, A-16; Reaffirmed in lieu of: Res. 213, I-17; Reaffirmed: 16
BOT Rep. 14, A-18

References:

¹ https://www.ncbi.nlm.nih.gov/pmc/articlesPMC6281149/
³ https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2019-IPPS-Final-Rule-Home-Page-
items/FY2019-IPPS-Final-Rule-Regulations.html