

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 112  
(A-19)

Introduced by: Oklahoma  
Subject: Health Care Fee Transparency  
Referred to: Reference Committee A  
(John Montgomery, MD, Chair)

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1 Whereas, Healthcare transparency is an important issue in Congress and in many states with  
2 innovative bills cropping up from coast to coast; and  
3

4 Whereas, A 2018 Gallup Poll found that a greater percentage of Americans (55%) stated that  
5 they worry “a great deal” more about the availability and affordability of health care than about  
6 14 other major social issues such as crime, the economy, unemployment, terrorist attacks, and  
7 the availability of guns<sup>1</sup>; and  
8

9 Whereas, A 2018 study found that the median price of a magnetic resonance imaging (MRI)  
10 scan of the spine ranges from \$500 to \$1,670 in Massachusetts, which is also more than a 200-  
11 percent difference<sup>1</sup>; and  
12

13 Whereas, American Medical Association CEO James L. Madera, MD wrote a letter to US  
14 Senators on 3/23/2018 stating “The lack of complete, accurate, and timely information about the  
15 cost of health care services prevents health care markets from operating efficiently”<sup>2</sup>; and  
16

17 Whereas, Hospitals across the U.S. were required to post online their pricing for medical  
18 services on Jan. 1 2019 under a new federal law (CMS-1694-F)<sup>3</sup>; and  
19

20 Whereas, While publishing prices is an effort to increase transparency, the data may do little to  
21 affect consumers and their healthcare costs--the information isn't easy to decipher and many  
22 other factors go into the bill patients eventually pay; and  
23

24 Whereas, The proposed Department of Health and Human Services (HHS) rule, titled “21st  
25 Century Cures Act: Interoperability, Information Blocking, and the ONC Health IT Certification  
26 Program,” wants to take this a step further and require hospitals to disclose the prices they  
27 negotiate with health insurance companies to increase pricing transparency and reduce  
28 “surprise” medical bills<sup>4</sup>; and  
29

30 Whereas, Under the price information section (pages 90-92) in the 187-page document, the  
31 HHS outlines a variety of changes the rule would put in place. This includes provisions such as  
32 requiring hospitals to share the entire pricing process, from list price to cost negotiated with a  
33 patient's health plan, including out-of-pocket expenses. It also mandates a tool so you could  
34 compare prices ahead of time and information on the cost of emergency services, such as  
35 ambulance rides<sup>4</sup>; and  
36

37 Whereas, The proposed rule also states: Pricing information continues to grow in importance  
38 with the increase of high deductible health plans and surprise billing, which have resulted in an  
39 increase in out-of-pocket health care spending. Transparency in the price and cost of health

1 care would help address the concerns outlined above by empowering patients to make informed  
2 health care decisions<sup>4</sup>; and

3  
4 Whereas, The American Hospital Association supports state-based efforts but may oppose the  
5 proposed pricing changes, saying patients only care about their out-of-pocket costs, not the  
6 whole pricing system<sup>5,6</sup>; and

7  
8 Whereas, We believe it is in the best interest of our patients to know the cost of their health care  
9 prior to receiving the care and that a patient-based fee transparency model would be beneficial  
10 to our patients; therefore be it

11  
12 RESOLVED, That our American Medical Association advocate for federal legislation and/or  
13 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

15  
16 RESOLVED, That our AMA advocate for federal legislation and/or regulation to require  
17 pharmaceutical companies to disclose drug prices in their television (TV) ads in order to provide  
18 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 individual patients, taking into consideration the insurance status (e.g., self-pay, in-network insured, out-of-network 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 regarding plan benefits and real time cost-sharing information associated with both in-network and out-of-network 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 efforts to facilitate price and quality transparency for patients and physicians, and help ensure that entities promoting price transparency tools have processes in place to ensure the accuracy and relevance of the information they 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 transparency for physicians and patients.
6. Our AMA encourages efforts to educate patients in health economics literacy, including the development of resources that help patients understand the complexities of health care pricing and encourage them to seek 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 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: BOT Rep. 14, A-18

#### References:

<sup>1</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6281149/>

<sup>2</sup> <https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/about-ama/councils/Council%20Reports/council-on-medical-service/issue-brief-strategies-increase-health-care-price-transparency.pdf>

<sup>3</sup> <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2019-IPPS-Final-Rule-Home-Page-Items/FY2019-IPPS-Final-Rule-Regulations.html>

<sup>4</sup> <https://www.regulations.gov/document?D=CMS-2019-0039-0001>

<sup>5</sup> <https://www.aha.org/issue-brief/2018-05-04-hospital-price-transparency>

<sup>6</sup> <https://themighty.com/2018/12/nicole-vlaming-mental-health-hospital-bill-banner-health/>