



Talking Points

Hospital Price Comparison

October 2017

Hospitals fully support transparency on health care prices as a valuable tool to help consumers make informed decisions.

Background

- Maryland is already among the most transparent states when it comes to the cost of hospital care, as reams of data are available through the Health Services Cost Review Commission's and Maryland Health Care Commission's websites.
- Additionally, under Maryland's unique hospital rate-setting system, the hospital costs reflected on the website are regulated under spending caps set by an independent commission, the Health Services Cost Review Commission.
- While we applaud and support MHCC's work to provide further transparency, the data being presented are limited, for the following reasons:

Data are outdated

- The data are outdated, reflecting an average of claims data from 2014 and 2015.
- Since that time, under our innovative demonstration with the Center for Medicare and Medicaid Innovation, hospitals have made great strides in reducing costs as well as reducing the rates of complications and hospital readmissions (*you should be prepared to cite your hospital's data regarding lower complication and readmission rates for the episodes included on the MHCC website for your hospital*).
- Because the prices displayed represent an *annual average*, they do not reflect actual costs that a patient may expect to incur today.
- The best way to obtain up-to-date prices is to call your hospital and ask for a cost estimate.

Data are incomplete

- The website includes a hospital's data only if the hospital performed a sufficient number of the procedures being featured, and only for patients who are fully insured by commercial payers; this could represent less than 25 percent of procedures at any hospital. As a result, some hospitals that perform the procedure indicated may be excluded from the website, or the volume of procedures could be understated.
- The cost displayed on any website is not the actual cost to patients. Insurers pay for significant portions of health care services. The out-of-pocket amount paid by an individual depends on their health plan.

Assigns costs for an entire episode of care to a single hospital

- The new price comparison resource can be misleading for consumers because it attributes costs for an *entire episode of care* – which involves doctors, nursing homes, medication, and other services – to a single hospital.
- The individual physician results are not available to the patient.



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As always, hospitals work closely with patients and their families to make sure they get the care they need.

- Prices for these episodes vary between Maryland's hospitals for many reasons: the types of services each hospital offers, geographical cost-of-living differences, differences in patient populations, differences in physician practice, and much more.
- While cost is certainly a factor that individuals must take into account when selecting a health care provider, there are many others: access for family members, quality, convenience to one's home, and more. For example, a woman may choose a higher-cost setting to deliver her baby because that hospital offers features she prefers or because it is close to her home.
- Hospitals offer many different financial assistance programs and flexible payment options for patients who need them. Patients needing assistance are encouraged to inquire with their hospital about these programs.