

United States Senate

WASHINGTON, DC 20510

February 28, 2018

Dear Stakeholders:

We are launching a bipartisan effort to increase health care price and information transparency to empower patients, improve the quality of health care, and lower health care costs. To guide and inform this effort, we seek comments and further recommendations on the issue. Real world experience and evidence-based policies from health care stakeholders and experts will be important to craft a policy that most positively affects consumers and involves best practices from providers and states.

According to a survey from the Kaiser Family Foundation, Americans' top health care priority is lowering costs.ⁱ The United States spends almost twice as much on health care, as a percentage of its economy, as other industrialized countries.ⁱⁱ This is despite the fact that Americans usually use the same amount of health care as people do in other wealthy countries. We all agree that health care costs are too high and now is time to move towards a system that is more open, efficient, and accountable to the needs of the modern patient.

One policy area that is ripe for opportunity is greater price and information transparency. When asked more specifically about their concerns with health care, nearly two-thirds of Americans say it is too difficult to find out what medical care costs. In virtually every other industry, consumers are able to price shop, compare quality, and then decide what product best fits their needs. In health care, the lack of information and the inability to access it hurts patients and prevents normal market forces from driving competition, lowering prices, and improving quality.

Furthermore, the Catalyst for Payment Reform and the Health Care Incentives Improvement Initiative reviewed the strength and quality of every state's health care price transparency laws and regulations and gave 43 states a failing grade. In one state, a report found that some consumers were spending thousands of dollars more on the same service received from different providers.ⁱⁱⁱ

To best shape this effort, we are interested in your feedback on the following questions:

- What information is currently available to consumers on prices, out-of-pocket costs, and quality?
- What information is not currently available, but should be made available to empower consumers, reduce costs, increase quality, and improve the system?
- What role should the cash price play in greater price transparency? How should this be defined?
- Different states have used different methods to work towards price transparency:
 - Colorado - all providers publish paid amounts related to both in-patient and out-patient services.

- Kentucky - requires hospitals and ambulatory surgery centers to submit data on health care charges, quality, and outcomes that includes diagnosis-specific or procedure-specific comparisons.
- Virginia - performs an annual survey of carriers offering private group health insurance policies, to determine the reimbursement that is paid for a minimum of 25 most frequently reported health care services which may include inpatient and outpatient diagnostic services, surgical services or the treatment of certain conditions or diseases.
- Maryland - requires hospitals to provide and post the pricing information for the most common medical treatments in all hospitals, including the number of cases, the average charge per case and the average charge per day.

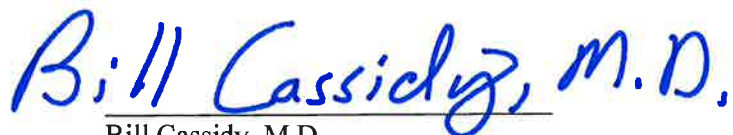
What are the pros and cons of these different state approaches? What is the best quality and price information to collect for consumers and businesses?

- Who should be responsible for providing pricing information and who should share the information with consumers?
- What role should all-payer claims databases play in increasing price and quality transparency? What barriers currently exist to utilizing these tools?
- How do we advance greater awareness and usage of quality information paired with appropriate pricing information?
- How do we ensure that in making information available we do not place unnecessary or additional burdens on health care stakeholders?
- What current regulatory barriers exist within the health care system that should be eliminated in order to make it less burdensome and more cost-efficient for stakeholders to provide high-quality care to patients?
- How can our health care system better utilize big data, including information from the Medicare, Medicaid, and other public health programs, to drive better quality outcomes at lower costs?
- What other common-sense policies should be considered in order to empower patients and lower health care costs?

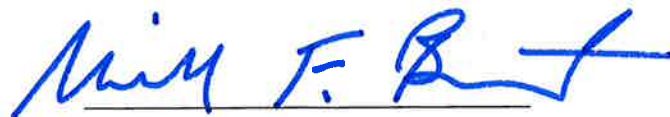
We want to institute an iterative process that will incorporate feedback from a broad set of stakeholders. In addition to soliciting guidance and suggestions from stakeholders, we will host roundtable conversations with a variety of experts in the coming weeks and are also engaging the Administration, Members of Congress, and Governors. In order to ensure that your feedback is considered, we respectfully ask that you submit your comment letters to transparency@cassidy.senate.gov by March 23, 2017.

Thank you for taking the time to provide feedback on this important, bipartisan initiative. We look forward to reviewing your submissions.

Sincerely,



Bill Cassidy, M.D.
United States Senator



Michael F. Bennet
United States Senator



Chuck Grassley
United States Senator



Tom Carper
United States Senator



Todd Young
United States Senator



Claire McCaskill
United States Senator

ⁱ <https://www.kff.org/health-costs/poll-finding/kaiser-health-tracking-poll-health-care-priorities-for-2017>

ⁱⁱ <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2017.1299>

ⁱⁱⁱ https://www.catalyze.org/wp-content/uploads/woocommerce_uploads/2017/04/2016-Report-Card-on-State-Price-Transparency-Laws.pdf