



LEGISLATIVE PRIORITIES 2018: PRICE TRANSPARENCY

BACKGROUND:

Price transparency has been a longstanding issue for uninsured patients, but growing enrollment in plans with higher levels of deductibles and coinsurance is creating new demand for meaningful price information among insured patients. Employers have been moving in this direction for a number of years. States and private insurers have introduced a variety of price and quality transparency tools; however, third-party vendors typically lack access to real-time data, and insurers generally don't want to share their proprietary data. As a result, most states currently do not publish the actual amounts providers receive from payers for individual services.

STATUS:

There is increasing attention in Alaska to the cost of health care. Three separate price transparency initiatives have emerged:

Sponsor	Summary/status	ASHNHA position
Municipality of Anchorage – Mayor	Requires hospitals to provide written price estimates. Very prescriptive. <i>Passed Anchorage Assembly and now in effect</i>	Support concept, but attempted to make ordinance less prescriptive. Did not support final ordinance.
Rep. Ivy Spohnholz (HB 123)	Requires providers to post undiscounted prices for top 50 procedures by CPT code. New version in Senate will likely require providers to post undiscounted and contracted rates and will incorporate price transparency framework from Municipality of Anchorage. ASHNHA has suggested less prescriptive language to accomplish the same purpose.	Worked with sponsor. No specific objection to House version of the bill, but concerned that it won't provide meaningful information to patients. Discussion about whether we would oppose requirement to post contracted rates and will have to reserve judgment on the MoA price transparency section until a bill draft is released.
Sen. Shelley Hughes (SB 119)	Requires providers to post undiscounted prices for top 25 in each of six categories of category 1 CPT codes, requires providers to provide estimates, sets up a cash incentive program for insured patients, includes a modified “any willing provider” clause. Includes preemption language to provide one statewide transparency framework.	Worked with bill sponsor to get price estimate language we could live with. Concerned with incentive program, number of procedures hospitals are required to post and any willing provider clause. Includes preemption language. Recommend that ASHNHA oppose in current form. Insurers, ASMA, also oppose.



There will likely be increasing pressure for hospitals to do a better job providing patients with accurate pricing information. The ASHNHA Board approved price transparency principles and a consumer checklist that could be used by hospitals to support efforts in providing price quotes to patients.

ACTION:

- Support reasonable price transparency frameworks that help patients get accurate information about the cost of care without adding a significant new administrative burden on providers.
- Position on current legislation
 - HB 123: Support the House version, but new Senate version could cause us to flip to opposition.
 - SB 119: Oppose in its current form. Support price estimate language in SB 119, but oppose bill until concerns over other elements are addressed. Support preemption clause.
- Emphasize that Alaska hospitals are committed to being more transparent, about both price and quality of care, so that patients can be more involved in and make informed decisions about their health care.
- Identify opportunities for ASHNHA to promote the implementation of policies and practices that support price transparency and public trust.