



Shedding Light on Health Care Prices: Patient Perspectives on Health Care Price Transparency Efforts

Acknowledgments

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Executive Summary

Out-of-pocket health care costs for patients are soaring in the United States. Since 2010, insurance deductibles for workers have risen three times as fast as premiums and about seven times as fast as wages and inflation.¹ For nearly two decades, states have attempted to address this problem by passing laws to allow policy makers, researchers, and consumers to better understand and access health care cost information. Some states are doing this by collecting, tracking, and making health cost information more transparent for the public. However, these health care transparency initiatives have not been implemented in all states and there is a wide variance among the states that do collect and publish this information.

- 19 states have passed legislation calling for the creation of databases that capture and track payments on behalf of patients by insurers or health care providers. These databases are commonly known as all-payer claims databases (APCD). Despite the appropriation of federal funds for the development of all-payer claims databases, many of these states' efforts include no plans to make information from the databases readily available for consumers.
- Only six states (California, Colorado, Maine, New Hampshire, Virginia, and West Virginia) have some way for consumers to compare health care prices on basic procedures.
- Of the six states that give consumers a chance to compare medical prices, few provide adequate cost information for the most common procedures. For instance, Colorado does not make available price information for colonoscopies, computerized tomography (CT) scans of the head, inguinal hernia repairs, or magnetic resonance imaging (MRI) of the brain. Additionally a privately-insured Colorado resident can only access claims data from 2012.
- In this report, we wore the shoes of a typical patient shopping for basic care. We did an informal experiment or a 'road test' of how a patient gets cost estimate for the procedures mentioned above. We came to select these procedures by looking at a list of common procedures identified by the Centers for Disease Control and Prevention (CDC). We also referred to private insurance studies to select a common group of likely shopped-for procedures by consumers.
- Of states that have a price transparency website for consumers, only one provides cost estimates for five frequently shopped-for medical procedures we used as case study examples in this report.
- Of these six states in which we queried costs for common procedures, prices expectedly vary considerably. For states that allow patients to filter cost results based upon their insurance status, Medicaid costs for procedures vary little between facilities. Costs for privately insured customers varied considerably. For those without insurance, in states where they are able to

¹ Press Release, the Henry J. Kaiser Family Foundation, *Employer Family Health Premiums Rise 4 Percent to \$17,545 in 2015, Extending a Decade-Long Trend of Relatively Moderate Increases* (September 22, 2015), <http://kaiserf.am/1VqDKO8>.

filter based on uninsured status, their costs for procedures are predictably much higher compared to those patients with private insurance. Most online consumer tools omitted cost estimates for Medicare beneficiaries.

- Most of the data captured in these websites are outdated and may not reflect current prices patients are expected to pay, which makes the information far less useful.
- Shedding light on health care prices for consumers is not without its critics. Yet in a time when patients are increasingly paying more out-of-pocket for basic treatment, the least we can do is try to better help them review health care sticker costs to make informed decisions.

Introduction

Shopping for health care prices in the United States is like trying to find a light switch in the dark. If you know where you should be looking—and it's actually there for you to find—you might have a chance, but otherwise you'll blindly search in vain.

Even as the Patient Protection and Affordable Care Act of 2010 (often known as Obamacare or ACA) has increased the number of Americans with health insurance, the share of health care bills that insured Americans are forced to pay is rapidly rising. The rise reflects an ongoing trend in American health care.²

Since 2010, insurance deductibles for workers have risen three times as fast as premiums and about seven times as fast as wages and inflation. According to the Kaiser Family Foundation, average out-of-pocket expenses per household rose from \$401 in 2010 to \$1,318 in 2015.³

In theory, the increased onus on consumers to share in their health care costs could motivate them to shop for better prices, and perhaps stem the tide of rising costs. The wisdom of this is questionable, since putting the burden on patients to pay for their care could also discourage them from receiving the care they need if they are not able to afford it.

Despite the stated intent of this approach, the reality is that the health care system generally has not followed through on its end of the deal, which was to provide consumers with access to the information they need to compare costs and make informed choices. Well before the passage of the ACA and now well after, patients are expected to pay greater shares of their own health care however they have no tools or cost comparison information to shop for care.

As Princeton Professor Uwe Reinhardt wrote: “consumer-directed health care so far has led the newly minted consumers of U.S. health care (formerly patients) blindfolded into the bewildering U.S. health care marketplace, without accurate information on the prices likely to be charged ...”⁴

² Margot Sanger Katz, *Even Insured can Face Crushing Medical Debt Study Finds*, THE NEW YORK TIMES (January 6, 2016), <http://nyti.ms/1UgiiLC>.

³ The Henry J. Kaiser Family Foundation. *Employer Family Health Premiums Rise 4 Percent to \$17,545 in 2015, Extending a Decade-Long Trend of Relatively Moderate Increases*, KFF.ORG (September 22, 2015), <http://kaiserf.am/1VqDKO8>.

In contrast to the health care systems of most advanced economies, the cost structure in the United States system is almost incomprehensible. In an exhaustive investigative piece published in *TIME* in 2013, Steven Brill reported that hospitals maintain official prices listed on a confidential document known as a “chargemaster.”⁵ Chargemaster prices are often astronomically high.⁶

Most patients are not assessed chargemaster fees because their insurers negotiate significantly lower prices on their behalf. But this state of affairs is hardly reassuring. It leads to a dynamic in which 10 different patients might be billed 10 different prices for exactly the same service.⁷ Meanwhile, patients who lack health insurance (and thus are liable to pay the entirety of their bills out-of-pocket) are the most likely to be assessed preposterously high rates because they do not have an insurer negotiating on their behalf.⁸

This ludicrous scenario has spurred efforts to improve price transparency. Private health plans, entrepreneurs and state governments have all embarked on projects to help consumers shop for health care based on price. These systems vary greatly in usability. And though some private health plans are creating web-based systems for their customers to learn the prices of various procedures, these systems are limited to those plans’ customers.

Healthcare Bluebook, OKCopen, and NerdWallet Health are a few websites that offer price information to the public. However, these websites often focus on services not covered in full by most health plans, such as dental work, cosmetic surgery, and vision exams. But many do offer price information for medical tests too.⁹

Lastly, the federal government and states are pursuing ways to collect and make available health care costs for consumers. Because of their ability to require disclosure of data and enforce compliance, government initiatives offer by far the greatest hope of comprehensive, uniform, user-friendly transparency systems.

With the help of about \$87 million in federal grants, 19 states have created – or are in the process of creating – databases populated by reports from providers, insurers, or both. But the vast majority of these databases are not publicly accessible. Among the few that are, the information offered by most is outdated and incomplete.

⁴ Uwe Reinhardt, *Health Care Price Transparency and Economic Theory*, THE JOURNAL OF AMERICAN MEDICINE (October 22/29, 2014), <http://bit.ly/20w5iRi>.

⁵ Steven Brill, *Inside ‘Bitter Pill’: Steven Brill Discusses His Time Cover Story*, TIME (February 22, 2013), <http://ti.me/1WGuO4C>.

⁶ *Id.*

⁷ Elisabeth Rosenthal, *As Hospital Prices Soar, a Stitch Tops \$500*, NEW YORK TIMES (December 3, 2013), <http://nyti.ms/1RxkoZl>.

⁸ Steven Brill, *Inside ‘Bitter Pill’: Steven Brill Discusses His Time Cover Story*, TIME (February 22, 2013), <http://ti.me/1WGuO4C>.

⁹ Rebecca Plevin, *Bargain Hunt for Health Care Procedures, But Use Caution*, SOUTHERN CALIFORNIA PUBLIC RADIO (August 5, 2015), <http://bit.ly/1o7bdi6>.

This report documents the ways that consumers who want to shop for prices for medical procedures are still being left in the dark. To do this, we assumed the role of a typical patient shopping online to get basic care. The results show that there is a huge amount of work that still needs to be done to create a useful tool for health care consumers that will better protect patients from getting ripped-off.

Assessing the States: Consumer Tools to Compare Health Care Prices Are Limited and Unreliable

In America, states are pursuing many different price transparency initiatives and their results for consumers are highly varied. Therefore, in this section, we chronicle multiple state level initiatives from the perspective of patients attempting to use the tools created by the states.

Keeping consumers in mind, we assessed the development and level of helpfulness of each initiative and whether they would be likely to help patients understand common health care costs.

For a snapshot of state-by-state price transparency initiatives, see the Appendix.

In total, 19 states have approved legislation calling for the development of some version of a health care payments database. Six states have fairly comprehensive websites that allow patients to access cost data to allow them, to some degree, to shop for health care: California, Colorado, Maine, New Hampshire, Virginia and West Virginia. The other states have made some efforts to track their health care costs, but those costs are not readily available for consumers to access online.

Federal grants are helping fund these projects. The ACA made \$87 million available through grants issued by the Center for Consumer Information and Insurance Oversight, a division of the Center for Medicare and Medicaid Services (CMS). These grants help states regulate insurance rates but are also intended to improve health care price transparency for consumers.¹⁰

Separately, the Agency for Healthcare Research and Quality at the U.S. Department of Health and Human Services tracks states' progress in building databases which track health care payments. Updated claims data via this portal are available through 2014.¹¹

Health care transparency databases vary significantly in their degree of comprehensiveness and the promptness with which they are updated, as well as how easy it is for patients to access and understand the claims information they capture. Some states do not capture recent payment claims for patients which would enable them to perform needed up-to-the-minute cost analysis for their ongoing treatments or procedures.

¹⁰ *Rate Review Grants*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1nJ5hLU>.

¹¹ *United States Health Information Knowledgebase*, AGENCY FOR HEALTHCARE AND QUALITY RESEARCH (viewed March 2016), <http://1.usa.gov/1RJDCmj>.

There's also been an ongoing interest to study and assess how states are doing with their health care price transparency efforts and programs. The Catalyst of Payment Reform and Health Care Incentives Improvement Institute have been releasing an excellent status report card annually since 2013 on this subject.¹² Our report, adds to this work.

We assume the role of patients trying to understand what their out-of-pocket medical procedure costs are using available public tools.

To get a better picture of how this process might play out for patients in the six states that have websites that allow patients to compare health care costs, we conducted an experiment or a "road test," to see if these websites help consumers understand costs.

Road Test: A Hypothetical Patient's Look into State Health Care Transparency Tools for Consumers

For the hypothetical patient "road test," we chose to examine five common medical tests and procedures that a typical patient might need to shop for: a colonoscopy, a computerized tomography (CT) scan of the head, inguinal hernia repair, knee replacement, and a magnetic resonance imaging (MRI) of the brain.

We chose these procedures because we thought that they would be fairly common to gather estimates for a typical patient. According to recent research conducted by the Centers for Disease Control and Prevention (CDC), these procedures outpaced many others and could serve as a useful glimpse in how a patient could understand their out-of-pocket cost estimates. Further, in an April 2016 study, Aetna found that the most common procedures their customers used and shopped for in 2011 and 2012 were colonoscopies, mammograms, and childcare services. We chose to look at colonoscopy cost estimates for our road test but could have just as easily looked for cost estimates for mammograms. A quick glimpse among many of the websites prior to our test indicated that it would be easier to find costs for colonoscopies. However, in reality, our results showed poor results for gathering information for both of these medical tests.¹³

Analysis of Road Test Findings

Our road test shows that residents in the six states that have comparison shopping websites continue to have trouble accessing cost data for common outpatient procedures. The six consumer websites we used for our road test differed greatly in how they categorize and present medical costs.

Here are some of the major findings:

¹² The Catalyst for Payment Reform, *Articles* (viewed August 2016), <http://bit.ly/2aslYoG>.

¹³ Martha Bebinger, *Colonoscopies, Mammograms And Childbirth Are Americans' Most-Shopped Health Services*, WBUR COMMON HEALTH (April 4, 2016), <http://wbur.fm/2asdaoD>.

- Each state we queried for our road test collects and makes available its health care claims for consumers differently.
- Out of the five chosen procedures for this report, only one of the six states reported price estimates for all five.
- States vary in how they track their cost claims and present payment information online for consumers.
- Unsurprisingly, the differences in sticker prices for common health care procedures between insured and uninsured patients are staggering.
- Much of the information contained in state databases is outdated.

The first difficulty for consumers is the differing elements of cost that are analyzed. For example, these databases typically use either *prices* or the average allowed amounts per patient as the data points for consumers to understand what they would expect to pay out-of-pocket. Price is the total amount a provider expects to be paid by both payers and patients for health care services. The average allowed amount is the average dollar amount allowed for paid claims for the health care services from providers in the state.

However, some websites present *charge* information. This information is different than price information because charge is the dollar amount a health care provider sets for services rendered before negotiating any discounts. The charge can be different from the actual amount paid by either a care provider or patient.

Moreover, some tools use *cost* or *payment* information. Cost or payment is the total expense incurred to deliver health care services. To be consistent, throughout the report, we refer to the cost to consumers and present that information in our findings.

Because charge, cost, price and the average allowed amount refer to separate and different monetary benchmarks in the health care industry, a patient who is trying to find the actual cost they should expect to pay for treatment can easily be confused.

Another finding from our hypothetical patient road test is that most states don't have comprehensive data. We identified five of the most commonly utilized procedures, but only one state had information on all five of the procedures. If we were not able to find the most frequently-used procedures in most states, it's clear there is a huge amount of information that must be added to these tools in order for states to achieve true health care cost transparency.

The lack of consistency across states is also present when it comes to how the online tools are created and administered. For example, New Hampshire produces their cost information by tapping into their state-run transparency database. California does not have a state-run transparency database so the California Department of Insurance contracted with a third party vendor to collect sample medical costs and then present that information online. Accountability and ability to watch dog the system will be critical when states choose to use third party vendors.

Many of the sites do not provide tailored information for uninsured patients. Consequently, uninsured patients living in some states with online comparison shopping tools still do not know what costs they would be expected to pay. They can only gather ballpark estimates.

For states that do have an option to assist the uninsured with their cost information, our road test shows that the total health care costs for an insured patient versus the uninsured vary drastically. In Colorado, for instance, we studied costs for knee replacement surgery. The dollar difference between the least a privately insured patient would pay and the most an uninsured would pay within a 100 miles radius of Denver, is **\$83,121**. The difference between the least a Medicaid enrolled resident would pay compared to what the most a Denver-area uninsured resident would pay is a startling **\$90,844**.

Additionally, in most states we queried for our road test, the data used to interpret costs is not recent. Case in point: The data used to compare costs in Colorado is from 2012. States are struggling to seamlessly collect payment information from both insurers and hospitals and present them in a timely fashion for consumers. With old information, consumers will rightly feel that data presented in the website is not reflective of what they might actually have to pay for a procedure.

As detailed in the state-by-state road test snapshots below, the results for consumers are mixed. The cost information per state site for procedures is quite limited. When we were actually able to determine costs, we saw a great deal of variance in the costs of the same procedures within a single state. Of course, when this state information is available and up-to-date, patients can make health care costs decisions to help them save money. Unfortunately, for the vast majority of patients living in states without health care databases, they are still fumbling in the dark without any cost information to guide their decision-making.

Even with their current limitations, these state health care price transparency databases are a powerful tool for consumers. That's why it's critical to take a hard look at the experiences of patients using these databases in the various states in order to identify best practices and improve the process of comparing procedures based on cost — shining a light for consumers searching out the most prudent health care path for their needs.

Hopefully, the following road test results for a hypothetical patient will help chart the course to improving health care price transparency initiatives.

California¹⁴ <http://www.cahealthcarecompare.org>

A collaborative project between the California Department of Insurance, Consumer Reports and the University of California, San Francisco, began offering consumers a glimpse into health care cost data in 2015. This project, called California Healthcare Compare, provides cost and quality data on a website pertaining to five broad areas: childbirth care, hip and knee replacement, back pain, colon

¹⁴ California residents can't access data from an APCD. However, The Department of Insurance has contracted with Truven Health Inc. to collect and process claims data for its consumer-oriented website.

cancer screenings, and diabetes treatment.

California Healthcare Compare provides cost data for regions, but not individual providers. A consumer seeking cost data relating to vaginal births in San Francisco, for instance, could only learn that the average charge for a vaginal birth in the area ranges by provider from \$8,072 to \$27,468. The website's cost data is based on claims between 2010 and 2013 concerning 10 million Californians.¹⁵ The strength of this tool is how easy it is for an average patient to navigate and compare costs. The problem is that this same patient cannot find that much information for common procedures for which they need cost estimates.

Procedure	Findings
Colonoscopy	We searched costs in the Sacramento area. The website reports that the average payment in the Sacramento area was \$1,313 and the high estimate was \$3,547.
CT Head Scan	Not available.
Hernia Repair	Not available.
MRI of Brain	Not available.
Knee Replacement	The reported average cost of a total knee replacement in the Sacramento area was \$34,816, with a high estimate of \$60,935.

Colorado¹⁶

<https://www.comedprice.org/#/home>

Consumers can access some data on costs of health care in Colorado through CO Medical Price Compare.¹⁷ The information available to them is extremely limited. Consumers can only shop for costs relating to four procedures (cesarean birth, vaginal birth, hip joint replacement, and knee joint replacement). However, unlike many states, consumers are able to search for costs based on whether they have private insurance, Medicaid or are uninsured.

The design of the website could be improved as well. In comparison to other states, Colorado's site is less user-friendly. It is text-heavy and the search capabilities require some previous understanding of

¹⁵ Consumer Reports, *California Health Compare*, CALIFORNIA DEPARTMENT OF INSURANCE (viewed March 2016), <http://bit.ly/1Tw2ODr>.

¹⁶ Colorado provides consumer-oriented price information filtered for those that are insured and uninsured.

¹⁷ CO Medical Price Compare, *Center for Improving Value in Healthcare* (viewed March 2016), <http://bit.ly/1lg4jQ9>.

health insurance and costs terms to navigate the queries.

The cost information is also old, from 2012. An undated fact sheet on the website labeled “New!!” indicates plans to provide prices for 2013 by the end of 2014. But that had not occurred by July, 2016.¹⁸

Costs are not available for most of the procedures included in our road test. However, costs that are available on the website validate concerns over wide cost variation in health care. The fact that this website breaks down costs for insured and uninsured patients is very useful. Costs for an insured patient to receive a knee replacement in Denver ranged from \$20,000 to nearly \$58,000. For an uninsured patient, costs ranged from around \$46,000 to \$103,000. As limited as the list of procedures is and as hard as the site is to navigate, insured and uninsured Colorado consumers can greatly benefit from this information, opting for the lowest cost knee-replacement procedure in their area. However, given that the cost information is outdated, the accuracy of the site could greatly be improved.

Procedure	Findings
Colonoscopy	Not available.
CT Head Scan	Not available.
Hernia Repair	Not available.
MRI of Brain	Not available.
Knee Surgery	<p>For this test, we were able to identify costs for knee joint replacement. For the purpose of our road test we chose Denver (within a 100 mile radius) to find costs.</p> <p>Insured: Insured resident’s costs ranged from \$19,760 to \$58,338.</p> <p>Uninsured: Costs ranged from \$46,170 to \$102,881.</p> <p>Medicaid: Colorado Medical Price Compare collects and makes available price data for knee joint replacement surgery for those enrolled in Medicaid. Costs for a case of medium and high complexity ranged from \$12,037 to \$16,596.</p>

Maine

(<http://www.comparemaine.org/>)

CompareMaine includes costs submitted by 42 health insurance plans for services from October 1, 2014, through September 30, 2015, for more than 240 procedures from more than 150 facilities. It does not include costs covered by public payers (including Medicaid) and does not include bills to the

¹⁸ CO Medical Price Compare, *Colorado Medical Price Compare Overview and Frequently Asked Questions*, CENTER FOR IMPROVING VALUE IN HEALTHCARE (viewed June 2016), <http://bit.ly/1Vhc2D1>.

uninsured. The website's users are able to search the costs for procedures at specific providers and covered by any of five health insurance plans or according to all insurers and all plans.¹⁹ Compare Maine also offers ratings on the quality of services, although that is out of the scope of this report.²⁰ The website is easy to use for any patient to comparison shop for care. However, our road test demonstrates that cost information for hernia repair is unavailable.

Procedure	Findings
Colonoscopy	CompareMaine offers cost estimate for colonoscopies with biopsy for 34 facilities. Costs ranged from \$1,248 to \$5,140.
CT Head Scan	CompareMaine offers cost estimates for different CT scans. Brain CT scan cost data was available for 36 facilities. Costs for the same types of scans ranged from \$194 to \$1,438.
Hernia Repair	Not available.
MRI of Brain	CompareMaine offers cost estimates for different types of MRIs, including "MRI scan of brain." The site lists prices for MRI brain scans at 31 facilities. The costs ranged from \$764 on the low end to \$1,933 on the high end.
Knee Surgery	CompareMaine lists prices for knee replacement under joint surgery at 12 different facilities. Costs ranged from \$27,277 to \$61,857.

New Hampshire

(<http://nhhealthcost.nh.gov/>)

NH Health Cost permits users to search the costs of about 75 medical procedures at about 45 facilities. The website reveals costs charged by providers to enrollees of any of five main health insurers and to uninsured patients. The insured option is divided into those belonging to health maintenance organizations (HMOs) or other insurance plans. Posted payment data is based on claims submitted between April 2014 and June 2015. The website also includes cost data on dental care and prescriptions and data evaluating the quality of care. These measures are outside the scope of this report.²¹

Searches on insured services below regard costs assessed to patients of Anthem insurance enrolled in HMO plans. Costs for the uninsured are divided into "Estimate of total cost" and "What you will pay." The latter takes into account the discount, if any, that the provider offers to uninsured patients. This

¹⁹ *Compare Maine*, MAINE HEALTH DATA ORGANIZATION (viewed on May 24, 2016), <http://bit.ly/1Vh9zZd>.

²⁰ *Id.*

²¹ *NH Health Cost*, NEW HAMPSHIRE INSURANCE DEPARTMENT (viewed May 2016), <http://bit.ly/2anolxx>.

report lists the “What you will pay” rate because it is the most meaningful for a consumer/patient.

All told, the website is easy to use and presented in a way that most patients can understand to interpret health care costs. While the cost data is fairly up-to-date, it’s still more than a year old.

Procedure	Findings
Colonoscopy	<p>Insured: For an Anthem-insured patient living in New Hampshire with a \$1,000 deductible, costs ranged from \$850 to the \$1,000 deductible.</p> <p>Uninsured: For an uninsured patient, NH Health Cost offered colonoscopy costs for the state. The price ranged from \$640 to \$6,133.</p>
CT Head Scan	<p>Insured: For an Anthem insured patient enrolled in an HMO with \$1,000 deductible, costs ranged from \$507 to the \$1,000 deductible.</p> <p>Uninsured: The price range for an uninsured resident was \$432 to \$1,884.</p>
Hernia Repair	<p>Insured: For an Anthem insured patient enrolled in an HMO with a \$1,000 deductible, a patient would reach their deductible.</p> <p>Uninsured: The price range for an uninsured resident to repair a hernia was \$5,628 to \$24,066.</p>
MRI of Brain	<p>Insured: For an Anthem insured patient enrolled in an HMO with a \$1,000 deductible, one would pay \$761 or reach their \$1000 deductible.</p> <p>Uninsured: For an uninsured resident seeking a MRI brain scan, costs ranged from \$781 to \$6,160.</p>
Arthroscopic Knee Surgery	<p>Insured: For an Anthem insured patient with a 1,000 deductible, one would reach their deductible.</p> <p>Uninsured: Costs to these patients ranged from \$6,436 to \$15,329.</p>

Virginia

http://www.vhi.org/health_care_prices.asp

Virginia residents have access to some very limited information about health care costs through a website sponsored by the Virginia Health Institute (VHI). This website allows a resident to survey average costs for 31 procedures based on reports received from nine health insurance carriers. It reports these as the “average allowed” costs, which the site awkwardly describes as “usually a discounted amount that is often less than full charges.” The site qualifies the results it returns by referring to each cost as a “Possible Total.” As of July 2016, the website said it was last updated on December 9, 2013. Reports on costs are dated to 2012. The website is very difficult to use for an average patient.²²

²² *Virginia Health Information*, VIRGINIA HEALTH INSTITUTE (June 2016), <http://bit.ly/1TKsHOM>.

Procedure	Findings
Colonoscopy	The average allowed amount for a colonoscopy at a physician's office in 2012 was \$1,557. The average allowed amount for a colonoscopy at a licensed ambulatory surgical center was \$2,376. The average allowed amount at a hospital was \$3,287.
CT Head Scan	The average allowed amount for CT scan of the head at a physician's office in 2012 was \$451. The average allowed amount for a CT scan of the head at a hospital is \$1,804.
Hernia Repair	The average allowed amount for a hernia repair was \$3,713 at a licensed ambulatory surgical center. The average allowed amount at a hospital for a hernia repair is \$6,407.
MRI of Brain	Not available.
Knee Replacement	The average allowed amount for knee replacement was \$27,801.

West Virginia

<http://www.comparecarewv.gov/index.aspx>

The West Virginia Health Care Authority maintains a website for patients to compare average hospital charges. The website obtains claims information from the West Virginia Public Employee Insurance Agency and the state's Medicaid data. Essentially, the website provides estimates of what hospitals would charge patients. However, these charges are, of course, different than payment claims. The website produces cost results that it claims could not be the final cost of what a West Virginia patient should expect to pay.

Overall, the website is difficult to use. Many patients know the medical tests they need for their treatment yet not the category of procedures those tests fall under. That understanding is required for a patient to use this website to compare costs. For consumers to obtain pricing information from the limited dataset that is available for their location, they must first choose one of eighteen topics under the heading "condition, body part, or system affected." That selection, in turn, causes a list of subset options to appear. The overarching topics range from technical ones such as "endocrine system" to quite general ones, such as "general health." The requirement to choose overarching topics hinders the ease with which the site can be used because a consumer often must guess which overarching category includes the topic for which they are seeking information.

There was a significant lag to generate responses from searches, which initially caused us to think the site was malfunctioning. When a result did come through, it was utterly useless. The website serves no purpose for consumers.

Procedure	Findings
Colonoscopy	Not available
CT Head Scan	Not available
Hernia Repair	Not available
MRI of Brain	Not available
Knee surgery	Not available

Debunking Claims That Public Price Transparency Initiatives Are Not Worthwhile

The case for price transparency in health care is not without its critics. In this section, we discuss some common concerns regarding the policy, and seek to rebut the claims. In a time when more patients are forced to make health care decisions, it is imperative that these transparency initiatives continue.

In this section, we reference leading critics of price transparency efforts as well as a conversation with David Newman, Executive Director of the Health Care Cost Institute. This institute is a leading resource in the study of health care cost and price transparency trends in American health care.

1. Claim: Because many private insurance companies already have cost comparison tools, state-run efforts are unnecessary.²³

Response: While it may be true that private insurers often have such tools, these member-only insurance websites have no uniform way of disseminating their cost information to health plan members. Most health plans are not required to have such tools for their members. State-run initiatives would ideally provide third party assurance that available health prices are updated and accurate. In addition, even if the insurance companies developed the most accurate cost estimate tools, this would only benefit those who have private insurance, while excluding those insured by public payers, such as Medicaid, and the uninsured. Being able to determine the cost of health care ahead of time is likely more important for the uninsured than others because their out-of-pocket costs are almost invariably higher and because the uninsured do not have the advantage of having insurers negotiate on their behalf. After the implementation of the ACA, the question is begged as to who makes up the remaining pool of uninsured patients. These individuals include

²³ Newman, David. Phone Interview. April 2016.

millions of undocumented immigrants living in the United States, working poor adults that live in the states that did not expand Medicaid eligibility up to 138% of the federal poverty level, as well as those that do not opt to buy health insurance.

2. Claim: Price information is not worthwhile unless paired with quality ratings of hospital services.²⁴

Response: The pursuit of quality measures is important, but postponing publication of price data until agreed-upon quality information is available is just a delay tactic.

Health care prices plainly already exist. The slice of data that has been disclosed reveals enormous variations in costs for routine procedures. When prices for basic medical treatments vary widely by thousands of dollars, patients deserve to have relatively current information upon which to make decisions regarding their care. As quality information becomes available, as it is in Maine for instance, it can be incorporated into public disclosure systems.²⁵

3. Claim: Once prices are readily available for routine procedures, insured patients will opt for the most expensive treatment because they associate high costs with better quality of care.²⁶

Response: Currently, it is not certain that patients would automatically engage in this type of shopping. Further, many comparable basic procedures are so astronomically high, that patients would have to think twice before they engage in such behavior even if they assume such high costs means greater quality care.

Additionally, rising out-of-pocket costs means patients are responsible for larger shares of their bill. They need to understand costs to make suitable health care decisions. With health care transparency databases, we can educate and inform patients of their options for routine procedures.

4. Claim: Even when patients have access to an already-available online tool, they don't use it. An April 2016 Aetna study found that, of members that had access to their shopping tool, only 3 percent used the service. This suggests either the shopping tool isn't trustworthy or it is not a user- or consumer-friendly experience.²⁷

Response: The irregular use of online tools, particularly hosted from a member-only health plan like Aetna, is expected. Health care comparison shopping, for example for the cheapest colonoscopy scan, is neither easy nor enjoyable even for those aware of the tool's existence. Many members are not aware of these shopping tools, partly because shopping for health services

²⁴ *Id.*

²⁵ Maine Health Data Organization, *COMPARE MAINE*, MAINE HEALTH DATA ORGANIZATION (viewed on May 24, 2016) <http://bit.ly/1Vh9zZd>.

²⁶ Newman, David. Phone Interview. April 2016.

²⁷ Martha Bebinger, *Colonoscopies, Mammograms And Childbirth Are Americans' Most-Shopped Health Services*, WBUR COMMON HEALTH (April 4, 2016), <http://wbur.fm/2asdaoD>.

is not the same enjoyable shopping experience it can be compared to other goods like a car or furniture.

That said, as patients are increasingly responsible for out-of-pocket costs, these online tools will become invaluable for making health care decisions. It's vital that states themselves host health cost comparison shopping websites. The uninsured do not have access to private health plans' tools because they are not members/customers. Third party private tools do not provide health care costs data as comprehensive as a state-run database would. All patients will be more likely to use a robust online tool once it serves their needs.

These criticisms are based mainly on the usability of sites, not on their ultimate value to consumers. The perfect cannot be the enemy of the good in this instance.

Conclusion

Millions of Americans are increasingly asked to shop for their health care. As all households pay higher shares of their paychecks for routine care with rising copays and deductibles, shopping around for affordable medical tests and procedures is ever more important. The problem now is that comparison shopping for health care is nearly impossible. Patients are asked to pay large medical bills without an ability to choose between different procedures and their respective costs.

Today, the uninsured are particularly vulnerable in our system, as they don't even have insurance companies bargaining on their behalf to pay less, and so are likely to be stuck with astronomical bills after obtaining care. These people have some of the greatest needs for information on the costs of health care procedures so that they can make informed decisions about their care.

For over a decade, states have been taking the lead to pass laws and allocate resources to boost access to medical cost information for health care consumers. Nineteen states have passed laws calling for the development of databases to track health care payments in their state. A handful are using these data to provide consumers comparison tools to actually shop for their care based upon their needs and household budgets. We chronicled these efforts in this report.

What we discovered is that states need to actually invest and maintain their commitments to make cost information available for consumers. With the exception of New Hampshire and Maine, the cost comparison websites are fairly difficult for average patients to navigate and use. In addition, none of the websites provide up-to-date cost information for many of the basic and routine procedures typical patients shop for.

The bottom line is that states have a long way to go to fulfill their promise to provide better cost information for their health care consumers. State governments that have committed to health cost transparency must allocate adequate resources to build robust all-payer claims databases to track health payment claims. Federal law largely regulates employers that self-insure their employees. Ideally, these plans would also volunteer their claims data to these tracking databases as well. Their employees would certainly benefit from having the most complete data in a state-run health transparency program.

Additionally, states should build user-friendly websites to present the information for the most common procedures. New Hampshire's NH Health Cost web interface can serve as an ideal template for other states.

On June 21, 2016, U.S. Representatives Gene Greene (D-Tex) and Michael Burgess (R-Tex) introduced bipartisan legislation²⁸, The Health Care Price Transparency Act, which encourages states to advance transparency initiatives to benefit consumers. It's difficult to imagine this passing in our current political environment, yet the bill's introduction suggests a bipartisan group of lawmakers acknowledging price transparency as a worthy state and federal policy goal.

Health care price transparency is not without its critics. Many fear that the initiatives won't help consumers make more informed decisions about their care. Health care price transparency has had its limits to this day in providing valuable information for consumers. However, as out-of-pocket costs rise, it's imperative that databases track costs and consumer online tools expand.

All told, as we put patients in the driver's seat to determine their own treatment expenses, state governments should work to provide adequate tools to shed light on health care costs and increase patient understanding of one's out-of-pocket commitments. Our nation's leaders should pledge themselves to do what they can to further price transparency and make sure ordinary people can actually use this information to attend to their health and medical needs.

²⁸ Press Release, Office of Congressman Gene Greene, *Burgess and Greene Introduce Bipartisan Legislation to Increase Cost Transparency for Patients* (June 21, 2016), <http://1.usa.gov/28Qagaa>.

Appendix

Below is the status of state transparency initiatives and legislation calling for the development of comprehensive health payment reporting databases as well as consumer tools that help patients compare basic hospital procedure costs. These state summaries largely consist of an analysis of health care price transparency laws that authorize the collection of payment claims data on price. We include states that have not passed bills into laws to further price transparency but have efforts worth noting. There are states that have pending legislation to build databases to track health payments. We did not include those efforts below.

Florida's transparency efforts are not included in this chart. However in April 2016, Governor Rick Scott signed a bill into law in which most Florida hospitals and health insurance companies will be required to make available health care costs. The law took effect July 1, 2016.²⁹

Arkansas
<p>Arkansas residents do not have price transparency tools to compare prices of different medical procedures. In 2015, the state legislature passed a law to better track health care expenses by calling for the creation of a comprehensive payment claims database. But the statute does not require the state to create a website to allow consumers to compare prices for basic medical procedures.³⁰</p> <p>Under the law, most health insurance companies were required to submit processed payment information by January 1, 2016.</p> <p>In 2013, CMS awarded the Health Insurance Rate Review Division of Arkansas \$3.1 million to develop and operate a comprehensive payment database. In 2014, it awarded the Arkansas Department of Insurance another transparency \$1.1 million to focus on providing Arkansas consumers cost information for common procedures.³¹</p> <p>APCD Legislation: Yes.³²</p> <p>Has cost comparison web site? No.</p>
California
<p>Several initiatives to collect price data are under way in California, although none provides consumers</p>

²⁹ Alix Redmonde, *Florida Hospitals Made to Show Prices Under New Law*, WWSB MY SUNCOAST (April 12, 2016), <http://bit.ly/1XBJrGO>.

³⁰ Arkansas Center for Health Improvement, *All-Payer Claims Database*, ARKANSAS INSURANCE DEPARTMENT (viewed March 2016), <http://bit.ly/1QTBIIYX>.

³¹ The Center for Consumer Information & Insurance Oversight, *Arkansas Rate Review Grants Award List* CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed on March 2016), <http://go.cms.gov/1OWgG7c>.

³² Ark. Code. § 7.11.2 et seq. <http://bit.ly/1MiqNxl>.

with meaningful, practical insight into the entire costs of procedures and other health care services.

A collaborative project between the California Department of Insurance, Consumer Reports and the University of California, San Francisco, began offering consumers a glimpse into cost data in 2015. This project, called California Healthcare Compare, provides cost and quality data on a website pertaining to five broad areas: childbirth care, hip and knee replacement, back pain, colon cancer screenings, and diabetes treatment.

California Healthcare Compare provides cost data for regions but not individual providers. A consumer seeking cost data relating to vaginal births in San Francisco, for instance, could only learn that the average charge for a vaginal birth in the area ranges by provider from \$8,072 to \$27,468. The website's cost data is based on claims between 2010 and 2013 concerning 10 million Californians that were collected by a private health care data firm.³³

Separately, a collaboration of payers in the state including Anthem Blue Cross, Blue Shield of California, and UnitedHealthcare, administers a project that collects claims data from insurers and Medicare. Companies participating in this project, which is called the California Healthcare Performance Information System, cover about 60 percent of Californians who have health insurance. Data from this system is not publicly accessible. Although its leaders did announce plans to make data to assess the quality of hospital care available in 2015. This did not happen.³⁴

A California law ostensibly calls for hospitals to submit meaningful data to a central agency, but the law's requirements serve little practical benefit. The 2006 law requires hospitals in the state to submit their published *charges* for common procedures to the state but charges refer to generic published rates and are often several times higher than the rates that providers negotiate with insurers. Therefore, these published charges provide little insight to consumers who would like to know actual costs.³⁵

CMS in 2013 awarded the California's Department of Insurance a grant of \$5.1 million to better collect total health care expenses and design a websites for consumers.³⁶

APCD Legislation: None.

Has cost comparison web site? Yes, but very limited functionality.³⁷

Colorado

³³ Consumer Reports, *California Health Compare*, CALIFORNIA DEPARTMENT OF INSURANCE (viewed March 2016), <http://bit.ly/1Tw2ODr>.

³⁴ *California Healthcare Performance Information System*, CHPI (viewed March 2016), <http://bit.ly/29zrRTI>.

³⁵ Cal. Code Regs. tit. 22, § 97230 <http://bit.ly/1nJ9z5Y>.

³⁶ The Center for Consumer Information & Insurance Oversight, *California Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2006), <http://go.cms.gov/1SNc44f>.

³⁷ *California Healthcare Compare*, CALIFORNIA DEPARTMENT OF INSURANCE (viewed July 2016), <http://bit.ly/2axMthR>.

Residents can access many health costs in Colorado. However, the state does not present cost information for the most common procedures. The state tracks health care expenses through a comprehensive payment database and provides consumers a website to comparison shop for care.

In 2011, the Colorado legislature passed a law to develop a comprehensive payment database to track health care payments.³⁸ The database that was created in response to the law includes all payment claims paid by the 20 largest health plans in the state, which cover more than 65 percent of the state's insured population.³⁹

Consumers can access some of this payment data through a website, CO Medical Price Compare,⁴⁰ but the information available to them is extremely limited. Residents can only shop for costs relating to four procedures (Cesarean birth, Vaginal birth, Hip and Joint Replacement, and Knee Joint Replacement). The cost data is from 2012.

In 2013, CMS awarded the Colorado Division of Insurance \$3.6 million to improve price transparency and the appearance and operation of its cost comparison website.⁴¹

APCD Legislation: Yes.⁴²

Has cost comparison web site? Yes.⁴³

Connecticut

Connecticut residents do not have an online tool to compare prices of medical procedures. The state is collecting and tracking total health care expenses, however.

In 2012, Connecticut passed a law calling for the creation of a comprehensive payment database.⁴⁴ The statute calls on the federal government or private sector to fund the database.⁴⁵

We found no record that Connecticut is yet collecting data pursuant to the law. At the time of writing much of the delay in collection was due to its selection of a third party vendor to run its payment database. It is unclear if Connecticut intends to make data accessible to consumers online.⁴⁶ In 2010, CMS awarded the state of Connecticut \$1 million to improve its price transparency initiatives.⁴⁷

³⁸ Colo. Rev. Stat. Ann. § 25-0.031253-703 <http://bit.ly/1MitoaC>.

³⁹ *Center for Improving Value in Healthcare*, CO APCD (viewed March 2016), <http://bit.ly/22B1e3R>.

⁴⁰ *Id.*

⁴¹ The Center for Consumer Information & Insurance Oversight, *Colorado Rate Review Grants Award*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1N0xeZp>.

⁴² Col. Rev. Stat. Ann. § 25.5-1-204 <http://bit.ly/1MitoaC>.

⁴³ *CO Medical Compare*, CENTER FOR IMPROVING VALUE IN HEALTHCARE, (viewed July 2016), <http://bit.ly/2aid3XE>.

⁴⁴ C.G.S.A. § 38a-1091 <http://1.usa.gov/1V7dqHu>.

⁴⁵ *Id.*

⁴⁶ *Access Health CT*, CONNECTICUT APCD RESOURCES (viewed March 2016), <http://1.usa.gov/1jbDnG6>.

<p>APCD Legislation: Yes.⁴⁸</p> <p>Has cost comparison web site? No.</p>
Kansas
<p>Despite taking steps to address price transparency, Kansas has no consumer shopping tool and provides little information for patients to access health payment information.</p> <p>In 2010, the Kansas Department of Health and Environment (KDHE) Division of Health Care Finance (DHCF) began developing a comprehensive payment database. The system captures Medicaid and State Employee Health Plan claims, as well as private health payment claims.</p> <p>The public does not have online access to it.⁴⁹</p> <p>In 2013, CMS awarded the Kansas Insurance Department \$3.1 million to enhance its comprehensive payment database and eventually create a website for patients to comparison shop.⁵⁰</p> <p>APCD Legislation: Yes.⁵¹</p> <p>Has cost comparison web site? No.</p>
Maine
<p>Maine residents have access to some health care costs resulting from a price transparency initiative. Maine's initiative offers a website for patients to shop for care.</p> <p>The state's database operates under the Maine Health Data Organization (MHDO), which was created in 1996 to collect price information from health plans and hospitals.⁵²</p> <p>In 2012 the legislature passed a law requiring health plans and hospitals to submit payment claims periodically (typically monthly).⁵³</p> <p>In 2015, Maine established CompareMaine.org, a website that enables patients to see payment claims</p>

⁴⁷ *Id.*

⁴⁸ C.G.S.A. § 38a-1091 <http://1.usa.gov/1V7dqHu>.

⁴⁹ Maine Health Data Organization, *Claims- The All Payer Claims Database (APCD)*, MAINE HEALTH DATA ORGANIZATION (viewed March 2016), <http://1.usa.gov/1Xf22qN>.

⁵⁰ *Id.*

⁵¹ Kan. Stat. Ann. §65-6801 <http://bit.ly/1WlneMA>.

⁵² Me. Rev. Stat. Tit. 22 § 8703 <http://bit.ly/1S0gMt2>.

⁵³ Maine Health Data Organization, *Claims - The All Payer Claims Database (APCD)*, MAINE HEALTH DATA ORGANIZATION (viewed March 2016), <http://1.usa.gov/1Xf22qN>.

data for over a 100 procedures beginning on January 1, 2014.

CompareMaine.org is one of only a few transparency websites nationwide that provide consumers cost and quality per procedure at a medical facility level. For example, if a patient wants to compare prices in Maine for a knee replacement, he or she is able to find the cost for that procedure by hospital. In an example we queried, the total costs for knee replacements ranged from \$27,277 to \$61,857.⁵⁴ A patient can find both basic quality ratings as well as costs for all private health plans in the state through this website.

In 2013, CMS awarded the MHDO \$2.6 million to create and maintain the consumer shopping website. CompareMaine.org incorporates both cost and quality comparison options for patients. In 2014, CMS awarded \$1.2 million to beef up the administration of its comparison shopping website.⁵⁵

The website discloses to residents that the payment claims data captured is for informational use only and that patients should not assume that the payment information available reflects what they would expect to pay.

APCD Legislation: Yes.⁵⁶

Has cost comparison web site? Yes.⁵⁷

Maryland

Maryland does not have a tool for patients to shop for health care. The state does have certain payment data collection initiatives but the primary purpose of its transparency initiatives is for experts to better understand Maryland's health care system and costs, and is not intended to inform consumers.

In 1993 Maryland passed a payment data collection law.⁵⁸ The law called for the creation of the Maryland Medical Care Data Base. All private health plans with more than \$1 million in premiums are required to submit payment claims data to the database. The payment data is not readily accessible to the

⁵⁴ *Compare Maine: Health Cost and Quality*, MAINE HEALTH DATA ORGANIZATION (viewed March 2016), <http://bit.ly/29KlIJw>.

⁵⁵ The Center for Consumer Information & Insurance Oversight, *Maine Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1lzm4kf>.

⁵⁶ Me. Rev. Stat. Tit. 22 § 8703 <http://bit.ly/1S0gMt2>.

⁵⁷ *Compare Maine: Health Cost and Quality*, MAINE HEALTH DATA ORGANIZATION (viewed March 2016), <http://bit.ly/29KlIJw>.

⁵⁸ MD. Code, Health – General §19-133 <http://1.usa.gov/1pq2rNN>.

public.

In 2013 CMS awarded the Maryland Department of Health and Mental Hygiene \$2.9 million to improve price transparency for consumers. In 2014, CMS awarded the Maryland Health Commission \$1.2 million to further enhance its price transparency efforts.⁵⁹

APCD statute: Yes.⁶⁰

Has cost comparison web site? No.

Massachusetts

Massachusetts residents do not have a way to compare health care costs online. The state does have a comprehensive payment claims database.

In 2006, the legislature passed a law to create an agency that would eventually be able to track health costs.⁶¹

In 2009, the state began collecting payment information from every hospital and health plan in the state.⁶² In 2012, the legislature passed an overarching law intended to reduce health care costs. It included measures aimed at improving administration of a health payments database.⁶³

In 2015, the state made payment data from 2010 to 2014 available. The payment claims are fairly comprehensive, although payment information for the uninsured is only included if the uninsured are enrolled in Health Safety Net, a state program for the uninsured and individuals who have insurance but cannot afford to pay their medical bills because of high out-of-pocket costs.⁶⁴ Information from the database is not readily accessible to consumers. A patient must contact a state agency to obtain it.⁶⁵

Despite the current absence of an online shopping tool for consumers, Massachusetts had a website to compare basic costs. However in 2015, the legislature passed a law to put the onus of providing a transparency website for consumers on private health plans. The state took its website down.⁶⁶

⁵⁹ The Center for Consumer Information & Insurance Oversight, *Maryland Rate Review Grants Award*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1YkX3qQ>.

⁶⁰ Maryland State, *Government Division of State Documents*, (viewed March 2016), <http://bit.ly/1I4p8cN>.

⁶¹ Mass. Gen. Laws Ch. 6A C §16K <http://1.usa.gov/250AGLJ>.

⁶² Mass. Gen. Laws. Ch. 12C §8(a) <http://1.usa.gov/1WlyecZ>.

⁶³ Felice J. Freyer, *Despite Law Hospitals Flummoxed Requests for Price Information Survey Finds*, BOSTON GLOBE (June 23, 2015), <http://bit.ly/1pFjivT>.

⁶⁴ *Overview of the Massachusetts All Payer Claims Database*, CENTER FOR HEALTH INFORMATION AND ANALYSIS (October 2015), <http://bit.ly/1pjQkbf>.

⁶⁵ CHIA, CENTER FOR HEALTH INFORMATION AND ANALYSIS (viewed March 2016), <http://bit.ly/1YkX9ie>.

⁶⁶ Beth Kutsher, *45 States Get a F for Healthcare Price Transparency*, MODERN HEALTHCARE (July 8, 2015), <http://bit.ly/1SNDVkw>.

In 2013, CMS awarded the Massachusetts Department of Insurance \$3.3 million to enhance customers' online access to price information on the state's database.⁶⁷

APCD Legislation: Yes.⁶⁸

Has cost comparison web site? No.

Minnesota

Minnesota has a payment data collection system but it's not accessible to consumers.

In 2008, the Minnesota legislature passed a law calling to create the Minnesota Health Care Claims Reporting System, a comprehensive payment database.

This system collects private health plan, Medicaid, and Medicare payment data. The database captures data from 64 commercial insurers.⁶⁹

In 2014 the Minnesota passed a law calling for enhancements to the claims database to better enable comparisons to be made on regional variations in costs, quality, and use of health care services. The legislature also directed a state agency to explore efforts to make data available to consumers.⁷⁰

In 2013, CMS awarded the Minnesota Department of Health \$3.1 million to improve its claims database and transparency efforts for consumers.⁷¹

APCD Legislation: Yes.⁷²

Has cost comparison web site? No.

New Hampshire

New Hampshire is considered a national leader when it comes to providing its residents the ability to compare health care costs. The state has a website that enables residents to compare the costs of medical procedures according to region and insurance status. Unfortunately, this online tool does not capture a lot of common medical procedure prices. But it's the best site available right now and passed our road

⁶⁷ The Center for Consumer Information & Insurance Oversight, *Massachusetts Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1Xf2g17>.

⁶⁸ Mass. Gen. Laws. Ch. 12C §8(a) <http://1.usa.gov/1WlyecZ>.

⁶⁹ MINN. STAT. §62U.04 (SUBD. 5) <http://bit.ly/1SNHc3A>.

⁷⁰ Minnesota Department of Health, *Minnesota's All Payer Claims Database (APCD)*, MINNESOTA DEPARTMENT OF HEALTH (viewed March 2016), <http://bit.ly/1T4GFb6>.

⁷¹ MINN. STAT. §62U.04 (SUBD. 5) <http://bit.ly/1SNHc3A>.

⁷² MINN. STAT. §62U.04 (Subd. 5) <http://bit.ly/1SNHc3A>.

test.

In 2003, New Hampshire passed a law⁷³ as part of an initiative to improve its transparency of health care prices that mandated the collection of health claims data from all commercial insurers in the state. The New Hampshire Comprehensive Health Information System (NHCHIS) is the database the state uses to track health care expenses.⁷⁴

New Hampshire has a website to enable consumers to view a slice of this data. The website, NHHealthcosts.nh.gov, provides estimates for common medical services for those covered by commercial health plans and Medicare and Medicaid, as well as those who are uninsured.

New Hampshire's system is far easier to use than websites of other states.

In 2013, CMS gave the New Hampshire Insurance Department \$3 million to enhance its website with consumer, employer, provider, and insurance company specific sections, and help residents better understand out-of-pocket costs. Some of these changes are visible now.⁷⁵

APCD Legislation: Yes.⁷⁶

Has cost comparison web site? Yes.⁷⁷

New York

New York residents do not have an online resource to compare health care costs, though the state has made some preliminary efforts to gain a better grasp of cost information.

In 2011, the New York legislature passed a law to create a comprehensive payment database.⁷⁸ New York is developing its comprehensive payment database in stages, collecting payment claims data from private health plans first, and then collecting Medicaid claims data. The planning and development of the state's comprehensive payment database began in 2012. The state has set a goal of fully enabling the database by 2017.⁷⁹

⁷³ N.H. Rev. Stat. §§420-G:11, 420-G:11-a <http://bit.ly/22gvsJE>.

⁷⁴ *New Hampshire Comprehensive Healthcare Information System*, NEW HAMPSHIRE CHIS (viewed March 2016), <https://nhchis.com/>.

⁷⁵ The Center for Consumer Information & Insurance Oversight, *New Hampshire Rate Review Grant Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016) <http://go.cms.gov/1MZkE8u>.

⁷⁶ N.H. Rev. Stat. §§420-G:11, 420-G:11-a <http://bit.ly/22gvsJE>.

⁷⁷ *New Hampshire Health Cost*, NEW HAMPSHIRE DEPARTMENT OF INSURANCE (viewed July 2016), <http://bit.ly/2anolxx>.

⁷⁸ NY Pub Health L § 2816_ <http://bit.ly/1MiZL9h>.

⁷⁹ *All Payer Database*, NEW YORK STATE DEPARTMENT OF HEALTH (viewed March 2016), <http://on.ny.gov/1RK5vuh>.

<p>In 2013, CMS awarded \$4.5 million to Health Research Inc. for New York to develop its database.⁸⁰</p> <p>APCD statute: Yes.⁸¹</p> <p>Has cost comparison web site? No.</p>
Oregon
<p>Oregon has begun to make strides to assist its consumers to understand health care costs. However, the state does not have a consumer website.</p> <p>In 2009, Oregon passed a law calling for the creation of a compressive payment claims database.⁸² Oregon's law also called for that state to create a system to help consumers better understand and compare health care prices.⁸³</p> <p>In 2011, Oregon began collecting claims data.⁸⁴ The database includes payment data from commercial payers, third-party administrators, Medicaid, and Medicare. Researchers and consumers alike must request APAC data off the state database website.</p> <p>As yet, Oregon consumers do not have online access to the data.</p> <p>In 2013, CMS gave the Oregon Department of Consumer and Business Services \$3.6 million to enhance its database as well as improve price transparency efforts for its citizens.⁸⁵ It appears that Oregon is still convening meetings to collect payment information to better support its consumers.⁸⁶</p> <p>APCD Legislation: Yes.⁸⁷</p> <p>Has cost comparison web site? No.</p>
Rhode Island

⁸⁰ The Center for Consumer Information & Insurance Oversight, *New York Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/250DNU6>.

⁸¹ NY Pub Health L § 2816_ <http://bit.ly/1MiZL9h>.

⁸² *All Payer All Claims Reporting Program*, OREGON HEALTH AUTHORITY (viewed March 2016), <http://1.usa.gov/1V7tMjm>.

⁸³ O.Rev. Stat. § 413.032 <http://1.usa.gov/1P8Xm0K>.

⁸⁴ *All Payer All Claims Reporting Program*, OREGON HEALTH AUTHORITY (viewed March 2016), <http://1.usa.gov/1V7tMjm>.

⁸⁵ The Center for Consumer Information & Insurance Oversight, *Oregon Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1O7YpCz> and *All Payer All Claims Reporting Program*, OREGON HEALTH AUTHORITY (viewed March 2016), <http://1.usa.gov/1V7tMjm>.

⁸⁷ O.Rev. Stat. § 413.032 <http://1.usa.gov/1P8Xm0K>.

Rhode Island residents do not have an online tool to view health care costs. The state is launching efforts to collect and track its health care expenses.

In 2008, the Rhode Island legislature passed a law to establish a comprehensive payment claims database.⁸⁸

Following the termination of these federal grants, Rhode Island's Insurance Exchange, state Medicaid, the Office of the Health Insurance Commissioner, and its Department of Health were scheduled to fund the payment database. The state began collecting claims in January 2014.⁸⁹

The state specified that it will not include data for uninsured individuals, any health care service paid directly by individuals and hospitals that treat the uninsured and do not get reimbursed.⁹⁰

In 2011, CMS awarded Rhode Island's Department of Business Regulation \$3.7 million to establish its comprehensive payment database. In 2013, CMS gave this department \$2.7 million to develop a consumer shopping website eventually, presumably after payment data is made available through the payment claims database.⁹¹

APCD Legislation: Yes.⁹²

Has cost comparison web site? No.

Tennessee

Tennessee residents do not have access to an online tool to understand their health care costs. The state however has taken steps to launch ways to track total health care expenses.

In 2009, Tennessee's General Assembly passed a law to create its payment claims database.⁹³ Payment data collection has had some hiccups over the years but the state resumed collecting payment information in 2014. Private health plans and medical providers now must submit claims data from January 1, 2012. The comprehensive payment database collects payment information from 42 commercial sources at the moment. It does not capture Medicare claims.⁹⁴

⁸⁸ 23 R.I. Gen. Laws § 23-17.179 <http://bit.ly/1QSJImF>.

⁸⁹ *APCD Council Rhode Island*, APCD COUNCIL (viewed March 2016), <http://bit.ly/1RhLYat>.

⁹⁰ *Health facts RI Database*, STATE OF RHODE ISLAND DEPARTMENT OF HEALTH (viewed March 2016), <http://1.usa.gov/1V83A8r>.

⁹¹ The Center for Consumer Information & Insurance Oversight, *Rhode Island Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1lzmN4R>.

⁹² 23 R.I. Gen. Laws § 23-17.179 <http://bit.ly/1QSJImF>.

⁹³ Tenn. Code Ann. §56-2-125 <http://bit.ly/1U2LGF7>.

⁹⁴ Tennessee, APCD Council (viewed March 2016), <http://bit.ly/1QThU1r>.

<p>APCD Legislation: Yes.⁹⁵</p> <p>Has cost comparison web site? No.</p>
Utah
<p>Utah has made efforts in the area of price transparency but does not have a consumer comparison shopping tool for its residents.</p> <p>In 2007, Utah passed a law to create its payment claims database.⁹⁶ The law authorizes its Health Data Committee to “collect data on the costs of episode of healthcare and authorizes the department of health to develop a plan to measure and compare costs of episodes of care.” The database is intended to benefit consumers. A separate statute allocates funding for the initiative.⁹⁷</p> <p>In 2009, the database began collecting payment claims. Currently, Utah’s payment database collects data from Medicaid, third party administrators and commercial payers. Utah plans to collect Medicare claims. Utah collects 15 sources of commercial payment claims data.⁹⁸</p> <p>The Utah Department of Health (UDOH), Office of Health Care Statistics (OHCS) is responsible for building and managing its claims database. The public must purchase the claims data off Utah’s website.⁹⁹</p> <p>In 2013, CMS awarded the Utah Department of Health \$3.2 million to enhance its payment database.¹⁰⁰</p> <p>APCD Legislation: Yes.¹⁰¹</p> <p>Has cost comparison web site? No.</p>
Vermont
<p>Vermont residents do not have an online shopping tool to compare health care costs. The state has made efforts to better track health costs but it has been a slow moving project. Vermont’s state legislature is</p>

⁹⁵ Tenn. Code Ann. §56-2-125 <http://bit.ly/1U2LGF7>.

⁹⁶ *Utah’s All Payer Claims Dataset: A Vital Resource for Health Reform*, UTAH DEPARTMENT OF HEALTH (viewed March 2016), <http://1.usa.gov/1OWinSe>.

⁹⁷ Utah Code Ann. §26-33a-106.5 <http://1.usa.gov/22he6MH>.

⁹⁸ *Utah’s All Payer Claims Dataset: A Vital Resource for Health Reform*, UTAH DEPARTMENT OF HEALTH (viewed March 2016), <http://1.usa.gov/1OWinSe>.

⁹⁹ *Id.*

¹⁰⁰ The Center for Consumer Information & Insurance Oversight, *Utah Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1NhfQBR>.

¹⁰¹ Utah Code Ann. §26-33a-106.5 <http://1.usa.gov/22he6MH>.

closely monitoring the development of its payment database.

In 2009, Vermont's Legislature passed a law to establish its comprehensive payment database, the Vermont Health Care Uniform or VHCURES.¹⁰² VHCURES captures payments from roughly 90 percent of private health plans and all Medicaid and Medicare claims in Vermont.¹⁰³

In 2013, the Vermont Green Mountain Care Board (GMCB) assumed responsibility of the state's comprehensive payment database.¹⁰⁴ In 2011, the State Legislature created this board to bring about health reforms in the state to reduce health costs.¹⁰⁵

In 2014, the Office of the Vermont State Auditor released a report to the Green Mountain Care Board calling for the evaluation of Vermont's comprehensive payment database. In October 2015 the GMCB produced a report addressed to the state legislature assessing the feasibility of creating a website that provides patients with health care prices.¹⁰⁶

Vermont's payment database started collecting data as early as 2007. Vermont has yet to launch a comprehensive payment database.

CMS gave Vermont \$1.1 million to expand the use of VHCURES and increase medical price transparency in the state.¹⁰⁷

In March 2016, the Supreme Court of the United States struck down part of Vermont's law for all health plans, providers, and government agencies requirement to report health cost data. Employers with self-insured plans are now exempt. However, others health plans and providers are required to submit payment claims.¹⁰⁸

APCD Legislation: Yes.¹⁰⁹

Has cost comparison web site? No.

Virginia

¹⁰² Vermont Statutes 18 §9405b Law <http://bit.ly/1XrGqbT>.

¹⁰³ *Vermont Green Mountain Care Board*, STATE OF VERMONT (viewed March 2016), <http://bit.ly/1zn9Zc>.

¹⁰⁴ *Vermont Health Care Uniform Reporting and Evaluation System – VHCURES*, VERMONT GREEN MOUNTAIN CARE BOARD (viewed on March 2016) <http://bit.ly/218XJ5h>.

¹⁰⁵ State of Vermont, *Vermont Green Mountain Care Board*, STATE OF VERMONT (viewed March 2016), <http://bit.ly/1zn9Zc>.

¹⁰⁶ *Consumer Information and Price Transparency Report*, VERMONT GREEN MOUNTAIN CARE (October 1, 2015), <http://bit.ly/1UdyY62>.

¹⁰⁷ The Center for Consumer Information & Insurance Oversight, *Vermont Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1OjsRrx>.

¹⁰⁸ Charles Ornstein, *Supreme Court Strikes at States' Efforts at Health Care Transparency*, PROPUBLICA (viewed March 2016), <http://n.pr/1nLu0PQ>.

¹⁰⁹ Vermont Statutes 18 §9405b <http://bit.ly/1XrGqbT>.

Virginia residents have some ability to understand health costs in their state. However, the resources available provide limited value at this time.

In 2008, Virginia passed a law to require all health care providers to report claims data. In 2012, the Virginia state legislature amended this law to create a voluntary comprehensive payment database. All health payers and providers in Virginia have the option to submit payment claims data to the state.¹¹⁰ This means that any entity or person that pays for health care is not required to submit payment information to a central state agency. The Virginia comprehensive payment database began requesting and collecting claims data in 2011.

Virginia's comprehensive payment database includes voluntarily submitted claims from private health plans, third party administrators and Medicaid.¹¹¹

Virginia residents can access health care prices through a website sponsored by the Virginia Health Institute (VHI). This website allows a resident to choose a medical procedure from one of six categories. 31 procedures are listed.

For example, via the website residents can gather payment information for a colonoscopy with the average price delivered at a physician's office, a license ambulatory surgical center, and a hospital.

APCD Legislation: Yes.¹¹²

Has cost comparison web site? Yes.¹¹³

Washington

Washington residents cannot access a website to compare health care prices. In 2015, the state passed a law calling for the creation of a database to track its health care payments.¹¹⁴

The law states that the database must improve transparency for patients, providers and hospitals to make informed choices about care.¹¹⁵ The state Medicaid program, the Public Employees Benefits Board program, and private health plans must submit payment claims to it.

In 2010, CMS gave \$1 million to the state to develop a public website called Consumer Care with the primary purpose to increase consumer transparency and awareness about the cost and quality of care.

¹¹⁰ Va. Code. Ann. § 32.1-276.7:1 <http://1.usa.gov/22if6Ue>.

¹¹¹ *All Payer Claims Database (APCD)*, VIRGINIA HEALTH INFORMATION (viewed March 2016), <http://www.vhi.org/apcd/>.

¹¹² Va. Code. Ann. § 32.1-276.7:1 <http://1.usa.gov/22if6Ue>.

¹¹³ *Virginia Healthcare Prices*, VIRGINIA HEALTH INFORMATION (viewed July 2016), <http://bit.ly/1TKsHOM>.

¹¹⁴ Wash. Rev. Code § 43.371.005 <http://1.usa.gov/254B1Nt>.

¹¹⁵ Wash. Rev. Code § 43.371.005 <http://1.usa.gov/254B1Nt>.

Currently, there is no such cost comparison website available for residents. In 2013 and 2014, CMS awarded \$4.5 million to the State Office of Financial Management to implement an APCD.¹¹⁶ Washington previously ran a volunteer claims database until recently.¹¹⁷

APCD Legislation: Yes.¹¹⁸

Has cost comparison web site? No.

West Virginia

West Virginia residents have some ability to compare health costs in their state. The state has an online tool to compare hospital charges. This information provides little value for what residents should expect to pay however while shopping for care. But it's better than no price information for residents.

The West Virginia Health Care Authority is overseeing the development and operation of its database. The database captures claims data from three commercial health plans as well as third party administrators and Medicaid.¹¹⁹

To support the development of this database, Governor Joe Manchin III issued an executive order, No. 2-10, creating an APCD taskforce.^{120 121}

The West Virginia Health Care Authority does operate a website that allows consumers to compare prices. But the information on the website is limited to records from the West Virginia Public Employee Insurance Agency (the insurance plan option for public sector and university employees) and the state's Medicaid data. This payment data reflects only a sample of information available in the state. Many individuals are privately insured and will not expect to pay these charges.

The West Virginia Health Care Authority does not claim that price information collected is error free.

APCD Legislation: Yes.¹²²

Has cost comparison web site? Yes.¹²³

¹¹⁶ The Center for Consumer Information & Insurance Oversight, *Washington Rate Review Grants Award List*, CENTERS FOR MEDICARE & MEDICAID SERVICES (viewed March 2016), <http://go.cms.gov/1kLBKAH>.

¹¹⁷ *Health Care Price Transparency*, OFFICE OF FINANCIAL MANAGEMENT (viewed March 2016), <http://1.usa.gov/1Hd89KA>.

¹¹⁸ Wash. Rev. Code § 43.371.005 <http://1.usa.gov/254B1Nt>.

¹¹⁹ *West Virginia*, APCD COUNCIL (viewed June 2016), <http://bit.ly/1poCptF>.

¹²⁰ Amy Wenmoth, Jeremiah Samples, *White Paper Development of an All-Payer Claims Database in West Virginia*, WEST VIRGINIA HEALTH CARE AUTHORITY (June 14, 2010), <http://bit.ly/1YkYkOI>.

¹²¹ *The HCA Mission*, WV HEALTH CARE AUTHORITY (viewed March 2016), <http://bit.ly/1MH7U7c>.

¹²² W. Va. Code R. § 114A-1-11 <http://bit.ly/1S4CyMq>.

Wisconsin

Wisconsin residents do not have many resources to compare health care costs. But they do have some alternatives.

Wisconsin hosts a voluntary statewide payment database.¹²⁴ The Wisconsin Health Information Organization (WHIO), a nonprofit comprised of state health plans, collects and makes available medical claims data for residents.¹²⁵ Health care providers, employers, health plans, and the state government are members of this organization. Sixteen state commercial private health plans submit claims to this organization.¹²⁶

Wisconsin does not have a cost comparison website, but the WHIO did develop MyHealthWI.org to help residents find the best quality physicians practicing family medicine, pediatrics, and internal medicine. On this website, residents still cannot obtain health care costs.¹²⁷

APCD Legislation: No.

Has cost comparison web site? No. However there is a ratings tool that does not include cost information <http://www.myhealthwi.org/Home.aspx>

¹²³ *Compare Care WV*, WEST VIRGINIA HEALTHCARE AUTHORITY (viewed July 2016), <http://bit.ly/2aL1OYK>.

¹²⁴ *About*, WISCONSIN HEALTH INFORMATION ORGANIZATION (viewed March 2016), <http://bit.ly/1Hd8c96>.

¹²⁵ *Wisconsin*, APCD COUNCIL (viewed March 2016), <http://bit.ly/1Vd5c0K>.

¹²⁶ *About*, WISCONSIN HEALTH INFORMATION ORGANIZATION (viewed March 2016), <http://bit.ly/1Hd8c96>.

¹²⁷ *My Health Report*, MY HEALTH WISCONSIN (viewed March 2016), <http://bit.ly/111Up5l>.