

Getting A View Into Health Care Costs Empowers Consumers and Makes Care More Affordable

Consumers deserve to know how much their care and prescriptions will cost before they receive them. And they should know where to go for those services so they're most affordable. Health insurance providers are committed to empowering consumers with the information they need, when they need it, so they can make health care decisions that are right for them. Lawmakers and regulators can help ensure that cost information is easy to access, understand, and use when making personal decisions about health.

- **Create standards for electronic health information.** Most health insurance providers offer tools that help their consumers understand the costs, quality and experience they can expect from a doctor or health facility. Standardizing the basic information provided will make this information easier to understand for consumers, while standardizing the technology through which it is shared will make it more accessible to consumers when they need it—whether that be at home or sitting with their physician.
- **Shine a light on how prices are set.** Health care prices can vary greatly. By understanding how prices are set and what causes them to go up, we can work together to bring those health care costs down for patients.

That is particularly true when it comes to drug prices. Drug makers alone set their prices and raise them, sometimes multiple times a year – with no visibility into how they make these decisions. By ending the “black box” that surrounds drug prices, more informed decisions can be made about care options.

Similarly, provider charges no longer correlate to what it actually costs to provide their services. More transparency into prices, health outcomes, and value would allow doctors, patients, and insurance providers to understand the most effective treatment pathways.

- **Protect free market negotiations to ensure more choices and lower costs for consumers.** Consumers want to know how much their care will cost them – and we should provide them with that information. But when doctors, drug makers, or hospitals know their competitors negotiated rates, they can bid less aggressively, demanding higher rates that lead to higher costs for everyone. The Federal Trade Commission has found the same, writing that “Too much transparency can harm competition in any industry, including health care. Typically, health care providers (hospitals, outpatient facilities, physician groups, or solo practitioners) compete against each other to be included on a health plan’s list of preferred providers...when providers know who the other bidders are and what they have bid in the past, they may bid less aggressively, leading to higher overall prices.”¹ Meaningful transparency means protecting consumers by striking the right balance – giving patients the information they need without raising their costs.
- **Encourage physicians, hospitals, drug makers, and health insurance providers to work together to provide useful information to consumers.** To ensure that patients get the right information at the right time, all the players in health care – from those who provide vital care to the health insurance providers who pay for care – need to collaborate to help patients understand their treatment options and costs. No one player can do this alone. It must be a joint effort where all are committed to helping patients get the treatment they need and the information to make good decisions.

Health care works for hundreds of millions of Americans. Working together, we can deliver the choice, competition and innovation that leads to lower costs, better care and more control for every American.

¹ <https://www.ftc.gov/news-events/blogs/competition-matters/2015/07/price-transparency-or-tmi>