



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

TESTIMONY PRESENTED BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE March 4, 2010

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House Bill 5300 - An Act Concerning Hospital Charges for Uninsured Patients

The Department of Public Health has the following concerns regarding House Bill 5300.

This bill requires the Department to post on our website hospital pricemasters. Hospital pricemasters are detailed schedules of charges filed annually with OHCA from each hospital. The pricemasters are anywhere from 100 to 700 pages in length, may be updated several times within a year and the coding systems in each hospital's filing is not uniform. The Department has concerns that posting the pricemasters will not resolve the Committee's intent of demonstrating pricing transparency. They do not reflect key components to allow for complete pricing transparency such as physician/surgeon charges or third-party negotiated rates to obtain the actual cost of the service rendered. Similarly, while OHCA can provide inpatient hospital charges or similar data by major diagnostic category, this information also does not reflect the actual cost to the consumer, because it excludes anesthesiologist and surgeon charges and does not take into account rates negotiated with payers.

Both the federal and state governments have discussed the importance of price transparency in reforming health care. Although DPH supports the concept of transparency, we do not advocate for this venue as it fails to enable consumers to compare the quality and price of health care services, so they can make informed choices among doctors and hospitals. Many states have been making efforts to provide pricing transparency through various venues including on-line automated access through websites of hospitals, associations, health insurers and state agencies. The information available on-line consists of hospital inpatient, outpatient and ED average, median, a lowest or highest charge by hospital and length of stay for individual hospitals, alongside state, county or hospital region averages. At least thirty states have implemented or proposed legislative measures affecting disclosure, transparency, reporting and/or publication of health care and hospital charges and fees. Currently, about 15 states and six (6) healthcare plans have web-based price disclosure plans for consumers or their members. In order for the Department to build a user friendly database similar to other states for price transparency resources would need to be allocated. The Department cannot support this effort, as these resources are not contained within the Governor's budget.

Thank you for your consideration of the Department's views on this bill.

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