**STATEMENT BY PURCHASERS ON HEALTH CARE PRICES, PRICE VARIATION AND PRICE TRANSPARENCY**

INSERT LOGO(S) OF THOSE ISSUEING STATEMENT HERE

**Prices for health care services should be available to those who use and pay for care**

Health care prices in the U.S. are high and rising faster than inflation. Given how expensive health care has become and the fact that prices for health care services vary tremendously from hospital to hospital, it is no longer acceptable that employers, other health care purchasers or the consumers for whom they buy health care services should have to shop for care with an invisible price tag. Access to price and quality information helps purchasers develop cost-containment, benefit design and provider network strategies that encourage plan members to use high-quality, cost-effective care.

1. **Health plans must make price information available and utilize it to enhance value.**

* Health plans should make prices transparent to employer-customers and plan members.
* Health plans should provide data to the RAND Corporation for hospital price transparency studies.
* Some health plans limit how self-insured purchasers use their own data (claims and otherwise), including prohibiting them from giving it to third-party vendors who develop consumer transparency tools, assist with interpretation, support patient navigation and referrals or other reasons. To maximize the ability to connect plan members with high value providers, health plans must eliminate these restrictions.
* Health plans should demand removal of all “gag clauses” from their provider contracts – i.e. language that prohibits the health plan from sharing of information about a health care provider’s cost or quality, as well as removal of any anti-steering and anti-tiering language.
* Health plans should offer ready-to-go products that make it easy for purchasers to put benefit and network designs into place that support plan members in using higher-value providers.
* Health plans should consider eliminating hospitals from their networks who are significant outliers in the prices that they charge.

1. **Providers must make price and quality information available.**

* Health care providers continue to resist releasing price and quality information. This must change.
* Hospitals that are paid above average prices should share information about the quality of their care by service line using standardized quality measures to justify their higher prices.
* Physicians should use price and quality information to make informed patient referrals.

1. **Self-insured purchasers have the right to use their claims data along with publicly available health care price information to develop benefit designs and tools that meet their needs.**

* We have an interest in sharing price and quality information with plan members to help to drive down health care spending and prices and to encourage providers to compete on both quality and affordability.
* Using information about the relative commercial-sector prices paid to different hospitals, and by identifying those that are more expensive, especially as compared to Medicare (e.g. x% higher), we may steer business to less expensive hospitals.
* We will use price and quality information to design provider networks, whether tiered or narrow, or centers of excellence for specific services. We may choose to offer a tiered or narrow network plan as a full replacement, or offer one or both of these alongside a broad network plan.
* We will share our best practices in benefit and provider network designs and plan design communications strategies for plan members with other purchasers.
* We will also shine a light by name on the hospitals with the highest prices and ask them to, at a minimum, bring their prices in line with the market average.

1. **State government should enforce laws and implement strategies that maximize competition among health care providers.**

* State government should enforce current laws to ensure that providers and health plans do not use price information in an anti-competitive manner or use market power in ways that are deleterious those who use and pay for health care. A free [database](https://sourceonhealth.wpengine.com/legislation/) of state laws that others have implemented is available online.
* Policy options include the regulation of prices, such as putting a cap on increases or tying prices to a percent of Medicare payments, or creating through legislation an all payer claims database (APCD) that allows for the development of public information on the quality and cost performance of providers in the state.
* State government as a health care purchaser for state employees and/or retirees should use available price and quality information to create benefit and provider network designs that steer away from or exclude high priced, low value hospital and other health care providers.