

(March 20, 2005) Congressman Dan Lipinski Introduces the Hospital Price Disclosure Act

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CHICAGO - Today, Congressman Dan Lipinski announced the introduction of legislation to empower health care consumers with information - The Hospital Price Disclosure Act (H.R. 1362)

"This Hospital Price Disclosure Act would make health care price information for inpatient and outpatient procedures, as well as commonly administered medications, available to consumers on the Internet," Lipinski said.

By being able to compare different health care facilities on a consumer-friendly web site, Americans will have more control over and greater confidence in their health care decisions. The Hospital Price Disclosure Act would amend the Medicare regulations to mandate that hospitals regularly report to the Secretary of Health and Human Services (HHS) the prices for the: 25 most commonly performed inpatient procedures; 25 most common outpatient procedures; and the 50 most frequently administered medications. HHS would then post the price information on the Internet.

"As employees are spending more of their own money on health care services, they have a right to know how much different health care facilities charge for outpatient procedures," Rep. Lipinski said. "Informed consumers are a critical part of any long-term solution to address health care access and affordability. Health care decisions are just too important to be left to chance. Would anyone suggest that consumers make better purchasing decisions without price or performance comparisons? Of course not."

Congressman Lipinski, who has been joined by Congressman Bob Inglis (R-SC) in introducing H.R. 1362, became concerned about the issue of hospital pricing last summer after a bicycle accident put him in the hospital.

"I looked closely at the bill, and I was amazed at the costs," he said. "The hospital was charging nearly \$5 for a single-use packet of antibiotic ointment. Walgreen's charges little more than \$6 for an entire tube of the same stuff that is 32 times larger than the hospital's packet."

When consumers start comparing health care facilities on costs, the facilities will respond accordingly, driving costs down and quality up. Studies on programs like this on a state level, such as the one proposed in Illinois, demonstrate that making performance information public encourages quality improvement.

"We all want more facts at our disposal when making health care decisions for ourselves and our families. This legislation will help all health care consumers make better choices about where to seek inpatient and outpatient care," Congressman Lipinski said. "Each of us expects similar disclosures from an auto repair shop; it is time to demand the

same from health care providers."