

(March 15, 2006) Statement of Congressman Daniel Lipinski House Subcommittee on Health Hearing

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Hearing on "What's The Cost? Proposals to Provide Consumers

With Better Information About Healthcare Service Costs"

Mr. Chairman: I would like to thank you, Ranking Member Brown, and all the members of the Health Subcommittee, for giving me the opportunity to speak about healthcare price transparency, specifically, H.R. 3139, the Hospital Price Reporting and Disclosure Act, which I introduced with Representative Bob Inglis of South Carolina.

As healthcare costs continue to rise, families are struggling more and more to figure out how to pay their medical bills. This problem is made worse by the fact that there is no way to know how much you will be charged when you check into a hospital for care. Lack of information prevents families from making well-informed, cost-effective choices. This is why I introduced this bipartisan bill to require every hospital to give Americans clear, concise information about what they charge for common procedures and medications.

Most of us would never consider getting our car repaired without first receiving an estimate of the charges, but this is exactly what we do when we need to go to a hospital for treatment. Two summers ago I was involved in a serious bicycle accident. Breaking my hip was certainly the most serious shock, but like anyone else who has experienced time in a hospital, I was hit with a second shock when I received the bill. Just to give you one example, a tiny single-use packet of ointment was billed to me at almost five dollars. If you walk down the street to any pharmacy you can get a tube 32 times the size for about seven dollars. Seeing this, and all the other charges on my itemized bill, led me to ask the question, "Why can't we know what hospitals charge before we are admitted?" At that point I did what most people would do, conduct a Google search to see if anything was being done about this. I found that the state of California had just recently required hospitals to disclose their entire price list - known as the hospital's "charge master." This disclosure revealed that there was a great disparity between California hospitals in what they charge for common procedures and medications. One hospital charged \$120 for a chest x-ray while another charged more than \$1500. And while a Tylenol capsule was free at one hospital another charged over 7 dollars for the same medicine.

So last year I introduced The Hospital Price Reporting and Disclosure Act to make price information available for all hospitals across the country, and give all Americans the ability to make informed choices about where they seek medical care. This bill would require hospitals to report twice a year to the Secretary of Health and Human Services (HHS) the average and median price they charged in the previous six months for the twenty-five most commonly performed inpatient procedures, the twenty-five most common outpatient procedures, and the fifty most frequently administered medications. These prices would then be posted on a user-friendly website so that Americans can easily access them. This type of information will be simpler for the average person to understand than if the entire, dense charge master list was provided.

Numerous states besides California have also taken recent action on this issue. My home state of Illinois has passed

legislation that requires the disclosure of prices charged by hospitals for both in-patient and out-patient procedures, and Florida, Georgia, Ohio, and South Dakota have all passed similar legislation. Wisconsin already has this kind of information available to the public on an easy-to-access, user-friendly website (wipricepoint.org). At least 10 more states currently have legislation pending. On the national level, it has been recently reported that the Administration has discussed a proposal to have HHS implement and oversee a voluntary program that would publicize the prices healthcare providers charge for their services. All of these are a good start, but I believe Congress should act to make price disclosure mandatory on the national level.

Obviously price is not the only factor that families should take into account when making health care choices. Quality information is also critical, and I am happy that the Centers for Medicare and Medicaid Services (CMS) is beginning to make some quality measures available; but more is certainly needed. And the advice of health care professionals will always be essential when making care decisions. But these are not reasons to oppose making price information available.

Price information is especially critical to the 46 million uninsured Americans. A recent report on 60 Minutes demonstrated the high impact that undisclosed hospital prices have on uninsured Americans. While we work to get coverage for the uninsured, we should give them information that will help in their health care choices.

This issue is not Democratic or Republican. We not only have bipartisan support for our bill in the House, but a companion bill has been introduced in the Senate by Democrat Dick Durbin, and Republicans Jim Demint and John Cornyn. President Bush has also stated his support for price transparency. But when I'm home in Illinois talking to my constituents, they call this bill one thing - common sense. We expect to have price information for every other purchase that we make, so it only makes sense that we have the same when purchasing healthcare. Because when it comes to health care, information is good for you.

I would like to thank the Chairman for the opportunity to testify, and I look forward to working with the Committee on this issue.