February 9, 2022

President Joseph R. Biden, Jr.
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear President Biden:

Prior to being elected, you pledged to increase price transparency in the healthcare system and as President you made clear in your Executive Order on Promoting Competition in the American Economy that you understand the value transparency plays in increasing competition and driving down costs for the American people. In November, you raised the stakes for hospitals who fail to comply with your healthcare transparency rule by significantly increasing penalties for non-compliance to as much as $2 million for some hospitals.

Though there is still much work to be done, you have shown you are willing to fight to make real transparency in healthcare a reality. Your leadership on this important issue means so much for all Americans and is especially impactful to those who have been continuously marginalized by our healthcare system. Studies show the cost of healthcare has a heavier impact on communities of color and low-income groups. A 2020 Kaiser Family Foundation poll found that seven in ten lower-income adults could not afford a $500 unexpected medical bill. According to a report from the Brookings Institute, 27% of Black households hold medical debt compared to just 16.8% of non-Black households.

Price transparency initiatives have a proven ability to lower the price of healthcare, which would positively impact these communities. Healthcare price transparency is also wildly popular, with more than 90% of Americans in agreement that healthcare organizations, such as hospitals and insurance companies, should be legally required to disclose all of their prices, including discounted prices, cash prices, and insurance negotiated rates.

The biggest obstacle standing in the way of true transparency in our hospitals is the failure of those hospitals to comply with the Hospital Price Transparency Rule. January marked one year since the rule went into effect and an overwhelming majority of hospitals continue to obfuscate their prices. Today we will release our second Semi-Annual Hospital Price Transparency Compliance Report which shows that only 14.3% of hospitals are complying with the transparency rule.

Our report also brings to light the fact that only 2 of the 361 (0.5%) hospitals owned by three of the largest hospital systems -- HCA Healthcare, CommonSpirit Health, and Ascension -- were compliant with the rule. In the case of HCA Healthcare, the largest for-profit hospital system in the country, not a single one of its 188 hospitals was compliant with the rule. In 2021, these three hospital systems’ combined total revenue approached $120 billion, making their noncompliance more egregious given the estimated cost of compliance calculated in the rule is only $12,000 per hospital.

After one year of waiting for hospitals to comply and an increase of just 8% compliance from our previous study more the six months ago, we believe the only way we will see a marked difference is for your Administration to take significant steps to further enforce the rule.
To that end, we would ask you to consider the following:

- Executive action making compliance with the hospital price transparency rule a Condition of Payment or Condition of Participation in Medicare and Medicaid and/or a condition of accreditations.
- Executive action requiring all prices, including out-of-network charges and contracted services within hospitals, to be posted in advance of care as a Condition of Participation, in accordance with the No Surprises Act, which you supported.
- Tying any additional government aid or reimbursement to hospitals to compliance with the rule.
- Administering fines against hospitals that have been warned, publicly releasing the names of the hospitals your Administration has communicated with regarding their non-compliance, and providing public notice of penalties served
- Prohibiting hospitals from billing or attempting to collect from patients if the hospital is not fully compliant with the price transparency rule.
- Publicly guaranteeing no further delay to additional transparency efforts, including Transparency in Coverage rules set to go into effect July 2022.

Price transparency is a crucial first step toward a more transparent, competitive healthcare system. Today, because of hidden prices and the lack of a functional market, the U.S. is paying double that of other developed countries for our healthcare, and with worse health outcomes and shorter life spans. Competition lowers costs of care to employers and workers, allows for higher wages, and results in a more globally competitive U.S. economy. Empowered with comparative price and quality information in advance of care, consumers, including employers and unions, can improve health outcomes while lowering costs by taking advantage of the benefits of competitive market efficiencies.

Mr. President, we believe that healthcare price transparency can be a major pillar of your legacy. Achieving true price transparency will finish the job you started with the Affordable Care Act and make the cost of care truly affordable for the American people. We encourage you to boldly enforce the current hospital price transparency rule and refuse any additional delays to the Transparency in Coverage Rule. Real transparency in healthcare with upfront binding prices will be a revolutionary step forward for all Americans. We are grateful for all you have done already and look forward to supporting your efforts going forward.

Sincerely,

Cynthia A. Fisher
Founder and Chairman, PatientRightsAdvocate.org

Attachments:
Second Semi-Annual Hospital Price Transparency Compliance Report

CC: The Honorable Xavier Becerra, Secretary of the Department of Health and Human Services