

Improving Health Care Price Transparency in Oregon

Background

The recently released “Report Card on State Price Transparency Laws,” a joint effort between Catalyst for Payment Reform and Health Care Incentives Improvement Institute (HCI3), examined existing transparency laws in all 50 states and graded them according to how well the legislation supports the health care information needs of consumers. States can play an important role in ensuring that consumers have access to both quality and price information by setting policies and implementing laws that advance transparency. The most comprehensive, consumer-friendly laws ensure ready access to information about a broad range of providers and services. The goal of the report card is to inform advocates, lawmakers and policy experts about today’s best practices or what constitutes a top grade and, over time, generate improvements in public policies across the nation.

Oregon’s Report Card Performance and Opportunities for Improvement

Oregon received an F on the report card because of the narrow scope of current legislation around price transparency in health care. Our research concluded that consumers need access to relevant pricing information, such as allowed amounts or the total amount reimbursed by both the health insurance plan and the plan member, and not what a health care facility or provider charges. More importantly, consumers need to know in advance what their out-of-pocket expenses will be. Only two states received an A on the report card: Massachusetts and New Hampshire. Both states require facilities and providers to publicly disclose allowed amounts for a broad scope of services, both inpatient and outpatient. In Massachusetts, consumers can access both price and quality information and compare the performance of facilities and providers via a website called MyHealthCareOptions (<http://hcqcc.hcf.state.ma.us/>). In New Hampshire, consumers have access to a site called NHHealthCost (<http://www.nhhealthcost.org/>), which provides access to estimated out-of-pocket expenses across facilities for specific services and procedures, based on insurance status. While both states received an A and represent current best practices, there is still ample room for improvement. For instance, both states could benefit from expanding the scope of services reported, and New Hampshire could tie in quality information relative to each facility and provider.

The Ultimate Objective

Access to relevant health care services pricing information is a consumer right. States are in a position to enact price transparency legislation in order to compel health plans to provide members with relevant out-of-pocket cost estimates at the time of need. HCI3 is working on model legislation borrowed partially from the Health Care Price Transparency Promotion Act of 2012, H.R 5800, introduced in May 2012 and Massachusetts’ Chapter 224 of the Acts of 2012, in order to help states craft laws that meet these criteria. We anticipate the model legislation will be available by the end of May 2013.