

March 25, 2015

Senator Laurie Monnes Anderson, Chair  
Senate Committee on Health Care  
Oregon Legislative Assembly

Re: SB 891

Chair Monnes Anderson and Members of the Committee:

OSPIRG supports SB 891. This important legislation will empower consumers to take personal responsibility for their own health care costs by improving access to health care prices.

Today, medical prices are often hidden until patients receive a bill, and many bills contain extra charges and surprising fees. Senate Bill 891 addresses these problems by requiring Oregon health care facilities to post their prices publicly and to provide real-time price estimates for consumers on request.

With Oregonians picking up an ever-greater portion of their own health care costs in the form of higher deductibles and coinsurance, it's more important than ever for consumers to know the price of health care up front.

Without health care price transparency,

- Consumers are not empowered to make high-value choices;
- Health care providers cannot make informed referrals and help patients compare the value and cost-effectiveness of treatment options;
- Employers and other purchasers cannot design high-value benefits or identify and reward providers that deliver care at a competitive price; and
- Other parties cannot conduct informed research and create tools to amplify competition, including web tools, mobile apps and reports with comparative rankings.

*The Solution: SB 891*

- Health care facilities should post their prices publicly

Each health care facility licensed by the State of Oregon should be required to publicly post the price it charges for the most frequent 100 outpatient and 100 inpatient services it performs, both physically on location and on the facility's web page in a consistent machine-readable format as determined by the Oregon Health Authority. If a facility has established different allowed amounts for services depending on the primary payer, the posting will list these by payer.

- Health care facilities should provide real-time estimates for consumers

All health care facilities licensed by the State of Oregon should be required to respond in real time to an inquiry about the prices charged for a specific admission or service with an estimate of the charges, including physician fees or facility fees.

If the patient requesting an estimate is a member of a health plan, the facility should disclose the allowed payment amount established with the consumer's insurer, and whether the facility and involved practitioners are part of the health plan's network.

*SB 891 will encourage competition, create a more level playing field in the health care industry and empower consumers to take personal responsibility for their own health care costs.*

Also before you for consideration today is Senate Bill 900, which takes a very different approach to providing the public with information about health care costs. While these bills may appear to be aimed at accomplishing the same ends, the differences are profound. The information each bill would make available would have different audiences and different uses.

To help clarify the difference between these proposals, OSPIRG has submitted a brief white paper, *Post the Price, Please*, into the Committee record. Here are a few of the key differences outlined in that document:

- SB 891 would provide consumers with accurate, actionable information about prices that would be included in a bill. SB 900 would not.
- SB 891 would enable consumers to request an actionable estimate in real time, at the point of service. SB 900 does not include any provisions to this effect.
- SB 900 requires the state to engage in a complex IT project, at significant cost to Oregon taxpayers. SB 891 puts the responsibility on health care facilities themselves to post their prices, like other businesses.

At first glance, SB 891 and SB 900 may appear similar in their intent. While SB 900 would provide some information about average health care prices that may be useful for some purposes, it would not answer consumers' need for accurate, actionable information about their own health care costs.

Oregonians deserve to know the price for health care services so they can take charge of their own health care costs. OSPIRG urges your support for SB 891.

Thank you for your consideration.

Jesse Ellis O'Brien  
OSPIRG Health Care Advocate