

While doubtful, some hospital execs prepping for price transparency



Dive Brief:

- A majority of health executives do not believe the price transparency rule requiring hospitals to reveal negotiated rates with payers will go into effect, according to a survey of 161 health system leaders.
- Still, some execs said they are taking steps to prepare should the rule go into effect.
- Either way, if price transparency rules are finalized, a court challenge is likely, 57% of execs said in the survey.

Dive Insight:

In a controversial move, the Trump administration wants hospitals to make public secret pricing information they negotiate with insurers over the cost to provide care to patients.

While most hospital executives don't think the rule will be finalized (66%), some did say they are taking steps to prepare internally, according to a survey conducted by Illinois-based consulting group Advis.

Of those preparing for the rule internally, some execs said they are building price transparency tools (37%) and partnering with third-party groups to develop price estimation tools (15%). Others said they are organizing payer contracts and rate sheets (27%).

Most of the execs said they believe the rule will cause more care to shift toward the outpatient setting, according to the survey results.

A legal challenge is the avenue "most likely" to change the proposed price transparency rule, according to a majority of respondents (57%).

Since the administration released the rule, hospitals have argued it will fuel anticompetitive behavior among payers and decrease access to care. Insurers say revealing negotiated rates will set a floor for hospitals prices, and encourage any provider paid below their counterparts to demand higher reimbursement.

Some legal analysts say a legal challenge by providers and payers is no slam dunk and the administration could prevail.

Some lawyers argue the ACA left standard charges largely undefined. But through an executive order issued earlier this year, President Donald Trump defined standard charges to include negotiated rates. That executive order is the key in the administration's case against payers and providers, James Burns, a partner at Akerman, previously told Healthcare Dive.