

WILL: Policy report urges state legislature to pass price transparency, lowering medical costs for WI families

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Wisconsin's hospital costs have risen to the 4th highest nationally. Families have become increasingly concerned about the price of healthcare, with 67% of Americans reporting that they worry about unexpected medical bills. Historically healthcare has been one of the only sectors of the economy where a patient is expected to pay for a good or service without knowing the cost. That dynamic is beginning to change around the nation with laws supporting increased price transparency.

Price transparency is a tool that puts power back into the hands of patients by giving them an outlet to shop for services, compare prices and make more informed decisions about their health. This is accomplished by establishing a website that allows patients to enter their insurance provider, the procedure they are seeking, and immediately view the estimated final out-of-pocket cost for providers in their area.

Beginning in 2021, federal rules passed under the Trump Administration required hospitals to provide clear, accessible pricing information online about the items and services they provide. This has proven popular with voters, with 87% of registered voters nationwide expressing support for policies that require hospitals to disclose prices. However, as of August 2022, only 16% of sampled hospitals nationwide and 21% in Wisconsin were compliant with the rules. In response, several states such as Texas and Colorado have passed laws that closely mirror the federal rules with additional state level penalties for noncompliance.

WILL Policy Associate Miranda Spindt said, “As Americans struggle to make ends meet, healthcare costs are eating up a larger share of their budgets. Full healthcare price transparency will introduce market forces into the healthcare system, and empower patients to make more informed decisions while lowering costs.”

WILL Policy Director, Kyle Koenen, added “Healthcare continues to be one of the only sectors of the economy where consumers are left in the dark when it comes to price. This uncertainty leads to patients avoiding or delaying care. Wisconsin should take swift action to pass meaningful price transparency laws and join the growing number of states that have embraced this common-sense reform.”

This [report](#) pulls together information from Wisconsin, as well as the nation as a whole, to explain what transparency is, how it has worked in other states, and a number of potential paths forward to implementation in Wisconsin. The key points of this report:

- **There is wide variation in the cost of similar procedures around Wisconsin.** A CT scan can vary from under \$1,000 to nearly \$3,000 depending on where a patient goes.
- **28% of workers are on “High Deductible Plans” that incentivize shopping around.** High Deductible Plans, often coupled with Health Savings Accounts have become more common. This makes “shopping around” for healthcare services more important than ever.
- **Research suggests transparency can work.** Studies of insurance companies and states that have implemented transparency measures have found significant savings for consumers.

Policy Recommendations: Based on the findings of this report, WILL recommends the following to Wisconsin’s policymakers:

- **Implementing Full Price Transparency.** Require that healthcare providers and insurance companies provide the necessary data to create a website where consumers can see the “out-of-pocket” price at every provider in the state for a list of common shoppable procedures under their insurance.
- **Creating incentives for shopping.** Some states have implemented systems that require insurers to share savings with consumers when a lower cost option is chosen. This gives consumers additional incentive to weigh the cost of every potential provider.