

Free Market Coalition: Encourages co-sponsorship of LRB-2922: “The Know Your Healthcare Act”

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As the state’s leading free-market advocates, we encourage you to co-sponsor LRB-2922, the “Know Your Healthcare Costs Act,” introduced by Senator Mary Felzkowski and Representative Rob Brooks.

Healthcare costs are a major concern for many Wisconsinites. A [recent survey](#) found that 73% of Wisconsinites believe their out-of-pocket costs are unaffordable, with 46% reporting that they delayed care due to financial concerns. Their concerns are not unfounded. According to research from the Rand Corporation, Wisconsin’s hospital costs are [4th highest in the nation](#). Too many families live in fear of the stream of bills that will inevitably follow even the most minor procedure. This has led some to call for more government intervention into the healthcare system, but the reality is that in many ways a free market doesn’t exist in healthcare.

Healthcare remains the only sector of the economy where patients must pay for services without first knowing the cost. Patients aren't empowered with the information needed to make smart financial decisions, taking into account both price and quality of care. "The Know Your Healthcare Costs Act" would work to change that. Under the bill, hospitals would be required to make a machine-readable file that contains standard charges for services provided by the hospital that could be used by the private sector to improve public-facing price databases, like [Turquoise Health](#). Nearly 80% of healthcare services are considered "shoppable" and the rise of high-deductible plans has incentivized more shopping around. Recognizing this demand, the bill would also require hospitals to create a consumer-friendly list of 300 "shoppable services."

This proposal is popular. Recent polling shows that [90% of Wisconsinites support](#) greater price transparency to better control healthcare costs. Similar proposals have also received broad bi-partisan support in other states like Texas and Colorado.

Some may wonder the need for this legislation when similar federal rules were enacted under President Trump at the federal level. The reality is that the federal government has failed to enforce its own rules and compliance rates remain low. A [recent audit](#) estimates that only 45% of Wisconsin hospitals meet benchmarks of full transparency. This legislation encourages greater compliance and ensures that Wisconsin patients will be protected even if the federal rules change in the future.

To stave off the push towards socialized medicine, it is vital that free market advocates recognize the reality of increasing healthcare costs and the harm those costs incur. Price transparency is not a silver bullet, but it represents an important step that will introduce market forces into healthcare, driving greater competition, lowering costs and empowering patients to take control of their healthcare.

We respectfully urge you to consider co-sponsoring the "Know Your Healthcare Costs Act."