



Talking Points

Hospital Price Comparison

November 2017

Hospitals fully support price transparency to help consumers make informed decisions.

- The Maryland Health Care Commission's new price comparison resource (*Wear the Cost*) can be misleading for consumers because it attributes costs for an *entire episode of care* – which involves doctors, nursing homes, medication, and other services – to a single hospital.
- The data are outdated, coming mostly from before the implementation of a new hospital payment system that has reduced complications by nearly 50 percent over the past four years.
- In fact, the MHCC site includes a price listing at one hospital for procedures the hospital no longer performs.
- Because the prices displayed represent an *annual average from 2014*, they do not reflect actual, current costs. The best way to obtain up-to-date prices is to call your hospital and ask for a cost estimate.
- The cost displayed on any website is not the actual cost to patients. Insurers pay for significant portions of health care services. The out-of-pocket amount paid by an individual depends on their health plan.
- Maryland is already among the most transparent states on the cost of hospital care; much data is available through the Health Services Cost Review Commission website.

Maryland's unique hospital-rate setting system makes a comparison site less meaningful.

- Hospital prices in Maryland are regulated by an independent state commission – the Health Services Cost Review Commission – which is tasked with constraining cost growth in hospital services and ensuring that hospitals can provide high quality care to all Marylanders.
- Under this unique system, hospitals continuously adjust their prices to stay within overall spending caps set by the commission. Because these prices can change monthly, any annual average from a previous year is unlikely to reflect current costs.
- Prices vary between Maryland's hospitals for many reasons: the types of services each offers, geographical cost-of-living differences, investments in proactive care to prevent unnecessary hospital visits, differences in patient populations, the complexity of cases, and much more.

Hospitals work closely with patients and families to make sure they get the care they need.

- While cost is one factor to take into account when selecting a health care provider, there are many others: quality, convenience to one's home, doctor privileges, and more. For example, a woman may choose a higher-cost setting to deliver her baby because that hospital offers features she prefers or because it is closer to her home.
- Hospitals offer financial assistance programs and flexible payment options for patients who need them. Patients are encouraged to inquire with their hospital about these programs.