



Talking Points

Price Transparency

December 2018

- Hospitals in Maryland have long been pioneers in transparency, so that health care consumers have available to them useful and accurate information about hospital costs and quality.
- There are multiple places in our state where consumers can obtain information about hospital costs. They include the Health Services Cost Review Commission, which sets the rates hospitals can charge; the Maryland Health Care Commission, which regulates hospital activities; and hospitals themselves, by inquiring about a specific service.
- The availability of pricing data in Maryland is second to none, because Maryland is the only state that sets the rates hospitals can charge; the Health Services Cost Review Commission's mandate is to set rates that are "reasonable for efficiently-operated hospitals."
- Maryland's unique payment system ensures that all who pay for hospital care — insurance companies, Medicare and Medicaid, and those who pay for their own care — pay the same rate for the same service at the same hospital at the same time.
- Variation among charges at different hospitals is normal in Maryland and across the country. A small, rural facility, for example, will logically have different costs and charges compared to a large, urban academic medical center that sees patients whose illnesses are often far more complex and require longer, more expensive care.
- Under Maryland's unique payment system, hospitals are provided with set amounts annually to provide care to their communities. As a result, traditional examinations into the differences in the cost of care between and among hospitals don't translate well.