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Agency: Centers for Medicare Medicaid Services (CMS)

Document Type: Rulemaking

Title: Transparency in Coverage

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Comment:

RE: CMS-9915-P Speaking on behalf of the Association of Independent Doctors

Full price transparency is the single, most important step America can make toward lowering health-care costs, creating a competitive marketplace, and fixing our nation's over-priced, opaque health-care system. Thus, we at the Association of Independent Doctors, a national trade organization representing more than 1,000 members in over 40 states, strongly support this rule, requiring insurers to reveal the secretive prices they negotiate with hospitals.

This rule along with the earlier ruling requiring hospitals and health providers to make their prices publicly and easily available in real time will at long last put Americans in charge of their health-care decisions. Armed with real prices -- not estimates or averages -- consumers will be able to shop for health care the way they do for cars, appliances and everything else they purchase, by comparing price, quality and value.

Perhaps more important, revealing real prices -- including total charges, cash prices and negotiated rates between insurers and providers -- will help stop and possibly reverse the trend of hospitals buying up medical groups and turning independent doctors into employees. This unhealthy market consolidation is one of the leading drivers behind rising health-care costs. Because of their market share, hospitals have greater bargaining power with insurance companies than smaller independent practices do. Thus, they can negotiate for higher reimbursements from payers for the same services. They also get to add on significant facility fees, which independent doctors do not. The more money hospitals can get from insurers, the more money they have to lure doctors out of private practice and into employment, which hurts us all.

Because of the ACA's medical loss ratio provision, insurers have no incentive to bring prices down so willingly play along. Since the MLR allows insurers to keep only 20 percent of health premiums, it behooves insurers to raise premiums, so they get 20 percent of more. Thus, the spiral of consolidation, monopolization and collusion continues.

Once health-care consumers (patients and employers) have visibility into these secretly negotiated rates and see how skewed the pricing is, they will be able to reverse the spiral. Costs will fall into line quickly. Empowered with facts, consumers will move away from large health systems that layer in facility fees, and that consolidate by buying up doctors and other hospitals to gain market control and eliminate competition. Instead they will choose independent doctors, free-standing facilities and other affordable, high-value options. That's the kind of market correction we need, and one that this proposed rule will help achieve.

To make this ruling truly effective, however, HHS will have to create more meaningful penalties. The \$300 per day (\$109,500 per year) fine that hospitals will incur if they don't post prices is small change compared to what they stand to lose if the public can see real prices.

We also hope you will stand strong against those opposing the Administration's bold move toward transparency. Because of the power of special interests, we cannot count on Congress. Over the last 10 years, the American Hospital Association, the American Medical Association, Blue Cross/Blue Shield and Pharmaceutical Research & Manufacturers of America have spent over \$1.5 billion combined lobbying Congress to maintain the status quo. It's worked. Special interests have shut down laws that would upset their money train, and supported ones that keep patients in the dark, where hospitals and insurance companies want them.

Americans on both sides of the aisle overwhelmingly want transparency. We urge you to please bring on the sunshine and use the authority you have to make this vital change.