

## **Review of State Health Care Price Transparency Laws Shows Progress, Much Room for Improvement**

**NEWTOWN, CT – July 26, 2016** – Most states could be doing more to give consumers the price information they need for making educated health care choices, according to an annual report card released by two independent health policy organizations. The report not only identifies the states failing at health care price transparency, but also lauds the few high-performing states and outlines practices lagging states should emulate.

The [2016 Report Card on State Price Transparency Laws](#) developed by the [Health Care Incentives Improvement Institute](#) (HCI<sup>3</sup>) and [Catalyst for Payment Reform](#) (CPR), gave 43 states an F for failing to meet even minimum standards. Only three states – New Hampshire, Colorado, and Maine – received an A for providing detailed pricing on a variety of procedures through easy-to-use public websites, backed by rich data sources.

Oregon moved from an F to a B after a year of sustained effort to improve. About a dozen other states could quickly move up in the ratings by building high-quality websites to display data they already collect in all-payer claims databases, the best source of price information.

“Real health care price transparency for consumers is dependent on rich data sources that provide meaningful price information on a wide range of procedures and services,” said François de Brantes, HCI<sup>3</sup> executive director and lead author of the report. “But that’s not enough. It must be presented on an accessible, publicly available website.”

The [2016 Report Card on State Price Transparency Laws](#) is a state-by-state resource that offers policymakers, consumer advocates, and other health care stakeholders a comprehensive look at the varying degrees of progress being made on price transparency at the state level.

“Many states have the laws on their books requiring the release of health care price information, but score poorly because of the design and implementation of those laws,” said co-author Suzanne Delbanco, CPR executive director. “They could make relatively easy fixes by deploying the appropriate resources.”

### **Snapshot of 2016 Price Transparency Grades**

- New Hampshire is no longer alone at the top. Colorado and Maine each received an A due to the increased quality of their reporting and transparency websites.
- Oregon received the only B in 2016, up from an F last year because of its sustained efforts to improve this year.
- Vermont and Virginia were the only two states to receive a C this year.
- Arkansas received a D.
- The remaining 43 states received failing grades.

- Not every F is created equal. For instance, both Louisiana and Washington, enacted new all-payer claims database legislation, but do not yet have functional websites publishing the price information they collect. If those websites are well designed and online next year, these states would expect to see their grades rise markedly.

The annual report card is produced through a partnership between HCI<sup>3</sup> and CPR, using a standardized methodology that assigns grades based on the availability of accurate and usable price information and excellence in providing access to the information through a well-designed public website.

Analysts at The Source on Healthcare Price and Competition—a program of the University of California, Hastings College of the Law and the University of California, San Francisco—conducted legislative research and summarized each state’s enacted and proposed legislation on health care price transparency. Dr. Judith Hibbard, a national expert on how to make price and quality information accessible and actionable to consumers, outlined what elements make a good website.

The 2016 Report Card, including the scoring methodology, can be found online at <http://bit.ly/2016-report-card>.

#### **About Catalyst for Payment Reform**

[Catalyst for Payment Reform](#) is an independent, non-profit organization working on behalf of large employers and other health care purchasers to catalyze improvements to how we pay for health care services and to promote better and higher-value care in the United States.

#### **About Health Care Incentives Improvement Institute, Inc.**

[Health Care Incentives Improvement Institute, Inc.](#) (HCI<sup>3</sup>) is a not-for-profit organization that aims to create significant improvements in the quality and affordability of health care through evidence-based incentive programs and support of payment reform models. Its nationally recognized programs, Bridges to Excellence® and PROMETHEUS Payment® have been at the forefront of payment reform, and the new PROMETHEUS Analytics® offers transformational insights for payers and providers.

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