

**House Public & Behavioral Health & Human Services**  
**04/25/2023 Upon Adjournment**  
**SB23-252 Medical Price Transparency**  
**Typed Text of Testimony Submitted**

Name, Position, Representing	Typed Text of Testimony
Robert Smith For Colorado Business Group on Health	<p>Good afternoon, Honorable Committee members. I am Robert Smith, speaking today as the retiring Executive Director of the Colorado Business Group on Health in support of Senate Bill 23-252.</p> <p>CBGH support this bill because healthcare, now consuming one-fifth of the US gross domestic product, is uniquely premised on free-market principles, the first and foremost of which – alongside quality transparency - must be transparent prices that can used to make informed decisions. Without accessible prices, no market can function properly or competitively. Healthcare does neither. Inadequate hospital pricing transparency is a key reason it does not– particularly in Colorado where prices which paid to hospitals by carriers average more than 300% of Medicare but can be as much as 700% of Medicare.</p> <p>Like all markets, healthcare is driven by both wholesale and retail dynamics. In the commercial healthcare market:</p> <ul style="list-style-type: none"> <li>• The wholesale purchaser is either the employer or trust writing the checks that pay for care.</li> <li>• The retail purchaser is the patient.</li> </ul> <p>Because our hospitals have not been fully transparent, SB 23-252 is essential both for an employer to function as a prudent wholesale purchaser and for a patient, to function as a prudent retail purchaser. Without it, the healthcare market is undermined. And yet, the only data point most purchasers get today from the typical plan administrator is their “discount from charges” – which would be like me telling you how far below the sky Denver instead saying we are at 5280. As the largest portion of health care spending, holding hospitals specifically accountable as part of the affordability solution is critical. SB23-252 improves market functionality by creating community visibility and therefore pressure on hospitals that charge outlier prices – or higher prices than they do at other hospitals within the same system - for specific services compared to other Colorado hospitals. Additionally, it addresses inadequacy of hospital price postings by identifying hospital-specific shortfalls compared to federal requirements and working with those hospitals through a notification and corrective action process.</p> <p>On behalf of healthcare’s purchasers, both employers and patients, I encourage you to vote yes on SB 23-252. Thank you very much.</p>
Srilekha Palle For Independent Women's Voice	Testifying Virtually.





## **IWV Supports Colorado Senate Bill 252**

Dear Chairwoman Michaelson Jenet and members of the House Public & Behavioral Health & Human Services Committee,

On behalf of Independent Women's Voice, an organization that fights for women and their loved ones by advocating for policy solutions that enhance freedom, opportunities, and well-being, I urge you to pass SB 252, the healthcare price transparency legislation.

Healthcare price transparency is common sense. We would never agree to buy anything without knowing how much it is going to cost. Prices in health care should work the same way. Patients should be able to plan ahead for how to pay and shop among providers. We should know what our out-of-pocket costs will be, as well as the costs, markups, discounts, and payments others make on our behalf.

Making price transparency a reality in Colorado is a key step toward a better healthcare system. When patients can make informed, value-driven decisions about our care, there will also be incentives for healthcare providers to offer the best quality care at the best possible price. This is the way nearly every other industry works, and the pressures of market competition serve as a check on costs and encourage better quality service. Clearly, this is missing from our present healthcare system.

Sometimes, in an urgent situation, patients will not think about cost because their life or health is at risk; they will go to the closest emergency department or seek care in the most timely or convenient way. However, most healthcare services are "shoppable," meaning patients have time to look around and plan for how and where to spend their dollars.

States—and the federal government—should act to establish requirements for system-wide, net price transparency, meaning a full picture of costs, markups, discounts, and payments. Simply put, keeping price information

from patients should be illegal. Only systemic, full net price transparency will bring systemic change.

While it's true that our current healthcare payment structure includes many middlemen, it still matters to patients what services cost. Consider uninsured or cash patients—this issue especially matters to them. Even patients with insurance often have high deductibles and must pay the costs for their healthcare services until they spend a certain amount. The copay or cost-sharing that patients are responsible for is often a function of the total bill, meaning the sticker price does matter because it affects how much patients pay. In fact, healthcare costs continue to be a top concern for many Americans as consumers, employers, and voters.

Gallup has reported that Americans borrow more than \$88 billion annually to pay for healthcare bills, and sadly one in four people skip a healthcare treatment, service, or screening because of costs. Price transparency is not just a financial issue, but it will lead to better health and well-being as patients can shop for the most affordable options, put downward pressure on all prices, and access the healthcare services they need without fear of exorbitant, hidden fees.

Price transparency is within reach. Hospitals are merging and purchasing doctors' practices all the time. We know net pricing information is shared in these negotiations. Why can't it be shared with the public? We also know that much pricing information is typically disclosed to patients *after* their treatment in their explanation of benefits. It is critical that patients have easy access to pricing information *before* their treatment, when they are able to carefully weigh the costs.

Importantly, there are many policy recommendations to achieve price transparency. These include simple requirements that hospitals post average prices, address surprise billing (out-of-network bills), or, at minimum, provide good-faith price "estimates." But these proposals may not provide helpful or actionable information for patients. To achieve real, system-wide price transparency, patients need to have access to net prices—that is, the full picture of markups, discounts, and payments made on their behalf, not just their out-of-pocket costs. Only system-wide, net price transparency will bring systemic change to the way we pay for health care.

We know that many lawmakers and regulators have been working hard to make price transparency a reality. However, the lack of compliance with existing price transparency requirements remains a problem. This is hurting patients. We applaud the efforts of Colorado lawmakers in particular for various pieces of legislation aimed at improving compliance. SB 252 will be an important addition to these efforts.

We encourage you to pass SB 252 and then take continued steps to ensure that all Colorado residents understand how to access the price information that is rightfully theirs and that incentives are best aligned to reward patients for acting on this information in a way that saves them money and drives overall healthcare costs down.

Thank you.

Respectfully,

A handwritten signature in black ink that reads "Hadley Heath Manning". The signature is written in a cursive, flowing style.

Hadley Heath Manning  
Vice President for Policy  
Independent Women's Voice



April 25, 2023

## **Sb 23-252, Medical Price Transparency**

### **SUPPORT**

The following is submitted on behalf of thousands of dues paying members of the National Federation of Independent Business in Colorado. The National Federation of Independent Businesses is an 80-year-old not-for-profit organization dedicated to preserving the right of anyone to own, operate, and grow their small business with a national membership of approximately 300,000 members.

The cost of healthcare is and has been the highest concern of our membership in the last forty years. Ninety-eight percent of small businesses offering health insurance are concerned that healthcare costs will become unsustainable for them within the next 5-10 years. It is the position of NFIB CO that transparency can help consumers make good, economic decisions when choosing a hospital provider.

#### **It is our belief Sb 23-252 will benefit Colorado consumers and small businesses in the following ways:**

**Informed decision-making:** Medical cost transparency can help patients make informed decisions about their healthcare by allowing them to compare prices and choose more affordable options. This can promote competition among healthcare providers and insurers, potentially leading to lower healthcare costs.

**Cost savings:** When patients are aware of the costs associated with their healthcare services, they may be more likely to seek cost-effective care and avoid unnecessary or costly procedures. This can result in cost savings for patients and the healthcare system.

**Patient empowerment:** Transparent pricing can empower patients to take control of their healthcare spending and become more engaged in their healthcare decisions. It can help patients become more educated consumers, which can lead to improved healthcare outcomes and patient satisfaction.

### **NFIB CO requests you vote YES on Sb 23-252**

A.F. Tony Gagliardi, State Director, 303-831-6099