

PLANK 1 - COST AND QUALITY TRANSPARENCY

RESOLUTION 1.04:

ENSURE COST TRANSPARENCY IN BILLING PRACTICES

The Alliance believes that the transparency of health care costs, coupled with information about quality, are prerequisites to improving value in health care. Health care billing processes have a long way to go before they meet the standard of transparent, actionable information that is accessible to consumers.

Facility fees are one discrete and important place to start. A facility fee can be charged, in addition to the full price for an office visit, when the clinician providing the service does not own the building within which care is delivered. Based on our own analysis from Alliance claims data, total billed charges are 78.7 percent higher when there is a facility fee compared to when there is not. What's more, consumers often do not realize they have incurred a facility fee until the bill arrives. Facility fees not only add significantly to the total cost of a patient health care visit, but cause confusion for both employers and patients looking to make informed health care decisions.

The Alliance urges Wisconsin policymakers to enact legislation or promulgate regulations that would require providers to notify consumers of applicable facility fees at the time the appointment is made. We believe the disclosure should include a good-faith estimate of the fee to enable consumers to assess the total cost-benefit of using a facility that charges facility fees.