

President's Column: Hospital Price Transparency Critics Omit Facts

By WHA President and CEO Eric Borgerding

On behalf of hospitals in Madison and across the state, I must strongly object to the Oct. 26 opinion column ("[Price transparency helps employers protect workers' health benefits](#)") about hospitals and price transparency.

The piece omitted numerous key facts about Wisconsin hospitals' compliance with federal price transparency rules and singularly assigned blame to hospitals for rising health care costs. Indeed, the topic of "transparency" is being intentionally stoked to confuse and distract from other issues, and the Wisconsin Hospital Association is compelled to set the record straight.

I am not dismissing the cost of health care, or the financial burdens health insurance premiums, co-pays and deductibles place on Wisconsin families, but facts matter when commenting on such significant issues.

First and foremost, there is already in effect a significant federal transparency law, but this is not mentioned in the opinion letter. Hospitals that fail to comply with these requirements face stiff fines from the federal government. To date, the Centers for Medicare and Medicaid Services (CMS), the regulatory body overseeing compliance with federal transparency regulations, has imposed fines—some up to seven figures—and issued hundreds of warning and enforcement letters to hospitals across the country.

Despite this rigorous enforcement, not one Wisconsin hospital has been penalized. Why? Because they work with regulators and comply with the law. Here are just two local examples: [UW Hospital](#) and [St. Mary's Hospital](#), both of which make pricing information about their services easily available on their websites for all to see.

Beyond CMS, an independent monitoring company, Turquoise Health, recognizes all Wisconsin hospitals for their excellence in price transparency compliance, awarding them an average 4.6 out of 5 stars for completeness of the files required under the federal law.

One fact that may surprise you is that large businesses must also comply with federal health care transparency laws. While Wisconsin hospitals are doing an excellent job following the law, many of our state's employers are not. It's worth noting that more than half the authors of the Oct. 26 column are not posting the files required under the health care transparency law, a status confirmed by a simple internet search. Here's the kicker: These businesses are left out of the state transparency legislation they are so ardently lobbying to pass, which would apply only to Wisconsin's hospitals.

Hospitals are constantly striving to maintain accessible, high-quality care under increasingly challenging circumstances. As UW Hospital noted in one [analysis](#), health care is already drowning in costly bureaucracy and red tape that is actually impeding access to care. Yet the same businesses that fight very hard to prevent regulation of their own industries now want to straddle hospitals with even more. They want you to believe that more regulation increases the price of their products but lowers the price of health care; a double standard that just doesn't add up.

A recent [analysis](#) by The Economist dug into the exploding health care intermediary industry of third party administrators, utilization reviewers, insurance companies, drug distributors, pharmacy-benefit managers and many other groups. These intermediaries have increasingly inserted themselves into the patient-provider relationship, accounting for a staggering 45% of patients' medical costs, a



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percentage that has nearly doubled in the last 10 years.

This massive—and growing—“middleman industrial complex” provides no patient care. In fact, studies show how these groups increasingly [deny](#) patients' care. Yet they have an enormous impact on the cost of providing care. In the spirit of transparency, I believe Wisconsin patients, health care providers and employers have a right to know more about these intermediaries—how they complicate health care and how much they take from health care—so we can work together to address this problem.

Wisconsin's hospitals are pillars of many communities, delivering round-the-clock care to patients regardless of whether they can afford their insurance premiums, co-pays or deductibles. People working in Wisconsin hospitals work tirelessly to deliver some of the most [outstanding care](#) in the country, while annually providing \$2.1 billion of free care and being transparent about the price and quality of their services.

It's time for others to start doing the same, or at least meet the federal transparency rules imposed on them—requirements that they claim hospitals ignore.

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