

## Hospital price transparency rules under the microscope heading into Trump administration

Supporters of overhauling how prices are reported say CMS must do more to crack down on hospitals.

BY:

**BEN LEONARD**

| 01/08/2025 05:00 AM EST



In 2020, then-President Donald Trump's HHS finalized rules requiring hospitals to make public their negotiated prices with insurers. Evan Vucci/AP

If CMS wants to make hospital price transparency rules more useful by forcing hospitals to share better data, it has work to do, supporters of an overhaul argue.

In 2020, then-President Donald Trump's HHS finalized rules requiring hospitals to make public their negotiated prices with insurers. The goal was to help patients compare prices and drive competition to lower health care costs.

Health care industry experts say the rules have not worked as well as intended. They tell POLITICO that's partly due to discrepancies in how hospitals collect and share data, making it difficult for consumers and others to compare information across institutions.

If the rules aren't rolled out as intended, advocates fear, it could stymie competition and prevent patients from knowing how much their care will cost. There's been a [significant bipartisan push](#) in Congress to strengthen price transparency rules for hospitals.

The Government Accountability Office, the watchdog arm of Congress, has said CMS [must do more to ensure compliance](#). The Congressional Budget Office, a nonpartisan scorekeeper on the cost of legislation, [has said "expanding or refining"](#) the transparency requirements would lead to a "very small" reduction in health care costs — 0.1 to 1 percent over a decade — partly because most consumers and employers wouldn't shop around for better deals.

"Although the policies would address some causes of consumers' and employers' insensitivity to prices, other important causes — such as the complexity of the medical system, reliance on recommendations from physicians, and tax subsidies for generous insurance coverage — would remain," the CBO wrote.

Those who back changes to the system say the Biden administration's latest iteration of the rules allows hospitals to skirt posting prices in dollars and cents. They have pointed to changes that led hospitals to post algorithms instead of actual prices, and advocacy groups, including PatientRightsAdvocate.org, have argued the result amounts to a rollback of requirements.

"This Biden CMS basically allowed the hospitals to obfuscate and continue to hide prices," said Cynthia Fisher, PRA's founder. "We've lost major ground on what is our right by law to know the actual prices up front."

Others have expressed more mixed views on the changes.

"The 2024 version of the hospital price transparency rule made quite a few things better, but at the same time, it left loopholes, and those loopholes more explicitly left room for some hospitals to obscure data," said Neil Mayle, CEO of Visible Charges, a firm that facilitates access to the hospital data for providers, payers, purchasers and consumers. "What got better is the standardization of formats and the fact that several fields that weren't being consistently provided by hospitals are now clearly required."

CMS disputes that there has been a "rollback" of requirements. The agency said the regulations bolster competition and lower costs, and that hospitals must make their standard charges public as a machine-readable file — more helpful for intensive analysis — and display hundreds of shoppable services in a consumer-friendly way.

"We [understand] the desire for individual patients to access hospital prices in dollars and cents, but that we believe the policies finalized ... are consistent with our authority under the law ... and will greatly improve the transparency of payer-negotiated rates, including whether the hospital's standard charges should be interpreted by the user as a dollar amount, or if the standard charges established by the hospital can only be expressed as a percentage or algorithm," CMS said in a statement to POLITICO.

Chip Kahn, the CEO of the Federation of American Hospitals, said that deciphering health care costs is complex, meaning filling out every part of disclosures may not be appropriate.

“Hospitals are not paid the same by every payer. The contracts that cover the services provided to patients are variable ... We're not going to change that part of the system. That's the way it works,” Kahn said. “We do the best we can to meet requirements.”

Molly Smith, group vice president for public policy at the American Hospital Association — which challenged the rules in court — said there’s a “fundamental disconnect” between what groups like PRA think consumers want — to shop for services — and how they want to use the data: planning for care.

“There are just so few services for which patients truly either can or want to go around and do a price comparison,” Smith said. “Patients really ... just want to have a sense in advance of ‘What is this going to cost me?’ ”

The rules require hospitals to post pricing files that are machine readable to help process information on charges and have made changes to standardize the files.

Khan suggested that requirements that files be “machine-readable” have been essentially a double-edged sword.

“This focus on machine readable has required us to produce a plethora of information that is ... machine readable, but may not be human readable or usable. We're caught in a bind,” Kahn said. “The practicality of this is not taken into account.”

Compliance has also been an issue.

An HHS watchdog found that 37 of 100 randomly sampled hospitals did not comply with price transparency regulations, and PRA’s estimates [found nearly 80 percent](#) of 2,000 hospitals did not comply. The group used a different methodology than CMS, and hospitals disagree with PRA’s findings.

“[PRA has] consistently put out reports that hold hospitals to a standard that is not consistent with what is in either law or regulation,” Smith said.

CMS said it is aware of a range of compliance estimates, adding that it reviews outside reports to inform its enforcement. CMS has fined more than a dozen hospitals. It said its process has been effective, with more than half of cases closed after a warning and more than 99 percent of hospitals ultimately complying.

It’s unclear how the incoming Trump administration would handle the regulations, but Trump’s platform gestured vaguely to bolstering transparency in health care.