

Trump Urged to Go Further on Health Price Transparency Rules

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The policy has garnered bipartisan praise for President Donald Trump since he finalized the original set of transparency rules during his first term. But complex billing methods and lagging compliance have stalled the price revolution advocates want the requirements to trigger.

Data gleaned from the price disclosures thus far is most useful to pricing experts and organizations with the resources to hire them, like employers. But in an ideal world, patients will be able to easily shop and compare prices across local hospitals for elective procedures.

Hospitals are already required to post a consumer-friendly list of 300 shoppable services—including 70 specific services mandated by the Centers for Medicare & Medicaid Services—but finding and comparing those rates is still not always easy.

Last week's rule added additional reporting elements for hospitals concerning services that can't be expressed as a dollar amount, such as when contracted rates are based on a percentage of Medicare. The provision adds more specificity after the Biden administration allowed hospitals to report estimates in those cases.

But the rule didn't increase penalties for noncompliance, and there are signs that compliance is decreasing. A November 2024 report from Patient Rights Advocate found that just 21% of hospitals were following all of the requirements, compared with 35% in February 2024.

"We still do see some considerable number of hospitals that either don't post their files or post wildly incomplete files," said Caroline Pearson, executive director of the Peterson Center on Healthcare. "And so I think the agency needs to think about more ways to ensure that everybody's meeting their regulatory obligations."

Hospital groups say reports showing low compliance are inaccurate, and argue that cumbersome data requirements take resources away from patient care. The industry has pushed back on increased enforcement and urged the Centers for Medicare & Medicaid Services to offer more technical assistance.

"We strongly encourage CMS to continue emphasizing good-faith efforts and to establish safe harbor provisions that recognize the inherent complexities and evolving nature of payer contracts and hospital billing systems," America's Essential Hospitals wrote in comments on the proposed rule.

The rule also lacked requirements around outlier and stop-loss charges, said Carol Skenes, chief of staff at data firm Turquoise Health. Hospitals typically have contract clauses that bill a higher amount when a case becomes unexpectedly more complex, she said, like when a patient undergoing a knee replacement goes into cardiac arrest on the operating table.

“There’s no good way to report outlier/stop-loss at the moment—the way both the payer and provider files are made—but that accounts for a really high amount of costs in hospital care,” she said.

Pending Insurance Rule

Researchers and transparency advocates hope some of their requests will be addressed in a forthcoming proposal on broader transparency requirements for insurers, which was tentatively scheduled to be released in September. The rule is under review at the Office of Management and Budget.

One major thing advocates want the administration to target is “ghost rates,” or contracted prices that are technically on the books but never used. Reducing ghost rates would significantly reduce the amount of useless data clogging up the files, Pearson said.

The hospital rule required facilities to include how many times it performed services that can’t be expressed as a dollar amount, but don’t include that requirement for all services. Expanding that provision would help weed out rates that aren’t real, like services outside a doctor’s specialty, Pearson said.

“As a researcher, you could just quickly drop all that data out of the files,” she said.

The price transparency community is also watching for an update on enforcement of prescription drug transparency, a provision under Trump’s original rules that was deferred under the Biden administration in the face of industry lawsuits and over what it said were potentially duplicative reporting requirements. The safe harbor on enforcement was later rescinded in 2023, and the administration released guidance for separate drug price reporting under the Consolidated Appropriations Act of 2021.

Pearson is optimistic, based on her conversations with officials, that the administration will adopt some of the recommendations in the upcoming insurance rule. While hospitals argue the data is not helpful to general consumers, Pearson said it’s making a big difference with employers.

‘Pretty Horrified’

The organization has helped several companies identify and reduce outlier costs that aren't associated with better quality of care, including by switching insurers or steering patients away from high-cost hospitals.

"They were pretty horrified at some of what they found," she said.

Peter Nelson, who leads the Center for Consumer Information and Insurance Oversight within the CMS and helped write the original transparency rules in Trump's first term, praised the findings from a joint price and quality data effort the Peterson Center did with employer coalition Purchaser Business Group on Health. Studies consistently show that, on average, there is little correlation between medical prices and care quality.

"Looking forward, I mean, I think that this is the future," he said at a recent webinar hosted by PBGH, according to a transcript of his remarks.

He also noted that the agency was "actively working" on parameters for drug price transparency. The Health and Human Services, Labor, and Treasury departments previously released a request for information in May on implementing the drug price disclosures.

Billing complexities likely mean it will take several more years to start seeing results across the health-care industry. What the current efforts underscore is there's a "need for a much more simplified payer-provider contract," Skenes said.

"If we can't meaningfully transform all of this into something that the lay person could use," she said, "then I would say price transparency, more broadly, has missed the mark."