

Committee on Energy and Commerce

**Opening Statement
of**

Subcommittee on Oversight and Investigations Member Kathy Castor

Examining State Efforts to Improve Transparency of Health Care Costs for Consumers

July 17, 2018

Thank you, Mr. Chairman. Health care costs continue to account for a large portion of our economy, and every family feels the impact of rising prices. Part of this problem is the fact that health care consumers often have no visibility into how much services are actually going to cost.

Depending on multiple factors such as the geographical area, a patient's insurance, and the type of provider, costs can vary greatly and seem unpredictable to the consumer. That makes health care unlike virtually any other commodity, and makes it more difficult to constrain costs.

We have seen news reports of outrageously high bills received by unsuspecting consumers. There was the couple in California who were reportedly charged over \$18,000 for a 3-hour visit to an emergency room, where their baby was examined, took a nap, and drank formula. And another patient received two CT scans that varied between \$268 and nearly \$9,000.

These shocking bills are frustrating and can devastate a family's finances. For that reason, greater transparency can theoretically provide consumers with more information to make decisions and predict the costs they are going to incur.

To that end, many states have taken some action to bring more transparency to health care. My home State of Florida, for example, established a website that allows consumers to search for health care prices at hospitals and outpatient surgery centers. Other states now require pharmaceutical companies to publicize and provide information related to large increases in prices for certain drugs.

These efforts are well-intended, and we should applaud any initiative that has the potential to help consumers control their health care costs. That being said, we also must keep in mind that transparency is not a panacea, and must be coupled with other improvements to have a meaningful impact on the actual cost of care.

As we will hear from the witnesses today, transparency initiatives by themselves are not tremendously effective at bringing down consumer health care costs. What sounds like a straightforward solution in most markets does not always work in health care, for multiple reasons.

For one thing, when people's health is at stake, information on prices might not be relevant. People naturally trust their doctor and want the best care. And when we see greater consolidation in the health care industry, transparency cannot provide much help to consumers with no leverage to access lower prices.

So we need to consider what the research says: what types of transparency reforms can work, what does not work, and how transparency needs to be combined with more meaningful actions.

For instance, Mr. Chairman, a key part of bringing down costs for consumers is ensuring access to high-quality and affordable health care, including primary care. We need to give consumers more than just information – we need to bring relief from these rising costs in the first place. Without that, these transparency efforts will be in vain, and we'll just be shining a spotlight on continuously increasing costs.

That is not to say that transparency does not have a role. Instead, we should look to combine transparency initiatives with incentives to provide higher quality care at lower costs. I hope to hear the witnesses' perspective on that today.

I thank the witnesses for being here today, and I yield back.