

Overview of Health Care Pricing Transparency

Senate Health & Long-Term Care Committee
December 4, 2025

Outline

- ▶ Background on health care price transparency efforts
 - ▶ Importance and historical context
 - ▶ National trends
- ▶ Health care price transparency programs and tools
 - ▶ Federal
 - ▶ Washington state
 - ▶ Other national
- ▶ Key takeaways

History: health care price transparency

- ▶ Efforts to understand health care prices have persisted for decades, increasing with passage of the Affordable Care Act (ACA).
- ▶ Maryland established the first All-Payer Claims Database (APCD) in 1995.
 - ▶ 23 states have APCDs
 - ▶ Washington's enacted in 2014 (RCW 43.371.005)
- ▶ Federal Hospital and Payer Transparency in Coverage (TiC) rules enacted in 2020 following Executive Order.

Challenges: health care price transparency

- ▶ *Gobeille v. Liberty Mutual Insurance Company* (2016) – Prohibits states from compelling self-insured employer plans from submitting data to APCDs.
- ▶ Challenges to what is and isn't considered proprietary
- ▶ Complexity of data
- ▶ Multiple and inconsistent sources
- ▶ Delay in accessing data

Key terms



Health care spending (or expenditure)

Key indicator of health care
affordability

Health care expenditure =
price x utilization + other spending



Health care pricing

Market driven unit price for
health care services



Health care utilization

Use, or volume, of services
delivered



Health care costs

Cost of delivering services
incurred by providers, payers,
and others

"Price" and "Cost" are often used
interchangeably in publications

Health care price transparency programs and tools

Transparency in health care pricing and overall health care spending

Health care price transparency programs

Federal

- Transparency in Coverage: Health Plan
- Transparency in Coverage: Hospital

Washington State

- **Department of Health (DOH)**
 - Comprehensive Hospital Abstract Reporting System (CHARS)
 - Hospital price transparency
- **HCA**
 - All-payer claims database
 - Drug price transparency
 - Health Care Cost Transparency Board
 - Prescription Drug Affordability Board
- **Office of Insurance Commissioner (OIC)**
 - Payer price and financial information
 - Rate & Form Filings

Other

- RAND hospital price study
- National Academy for State Health Policy (NASHP) hospital cost tool
- Turquoise Health TiC price tool

Federal

Federal: Health plan price transparency

42 CFR 147.211



What is it?

Effective Jan 2022; health plans required to post pricing information online. Payers have complied more readily with requirements.



What is the source of the data?

Health plan negotiated rates with **contracted hospitals** and other providers. Allowed amounts and billed charges for out-of-network providers.



What data is captured?

In-network negotiated rates for all covered items and services. Out-of-network allowed amounts and billed charges for all covered items and services. Negotiated rates and historical net prices for covered prescription drugs.



How is it made available?

Three separate machine-readable files (MRF). Consumer-friendly price comparison tool for about 500 services with cost-sharing estimate.



How is it utilized?

MRFs can be downloaded by researchers and businesses who can parse the data to make available to the public and purchasers (e.g., Turquoise Health, Mathematica, etc.). Consumers can directly access estimated cost-sharing for services covered by their plan.

Federal: Hospital price transparency

45 CFR Part 180



What is it?

Effective Jan 2021; hospitals required to post pricing information online.

Federal Department of Health and Human Services (HHS) Office of Inspector General (OIG) report in 2024 showed 46% of hospitals were not in full compliance.



What is the source of the data?

Hospital charge masters and hospital negotiated rates with payers.



What data is captured?

Gross charges from charge master.

Discounted cash prices.

Negotiated charges between hospital and payers.



How is it made available?

Single, comprehensive MRF.

Consumer-friendly display for about 70 “shoppable services” specified by the Centers for Medicare & Medicaid Services (CMS).



How is it utilized?

MRFs can be downloaded by researchers and other businesses who can parse the data to make available to the public and purchasers (e.g., Turquoise Health, Mathematica, etc.).

Consumers can directly access shoppable service charges on hospital websites.

Machine Readable File (screenshot)



Washington State

All-Payer Claims Database (2014)

RCW 43.371



What is it?

Contains health care claims data.

Administered by HCA.

All carriers are required to submit data to the Washington State All-Payer Claims Database (WA-APCD), except for self-insured, ERISA (Employee Retirement Income Security Act), and Taft-Hartley plans which may voluntarily submit data.



What is the source of the data?

Health plans submit claims data using a standard data submission guide.

Non-claims expenditure information is not submitted.



What data is captured?

Health care claims for medical services including durable medical equipment and vision services if included in the medical benefits.

Health care claims for prescription drugs.

Health care claims for dental services.



How is it made available?

Public use dashboards on WA-APCD website make aggregate health care utilization and spending information available to consumers.

Health care price and quality information is made available for select services on the WA-APCD website.



How is it utilized?

Consumers can directly access estimated cost of select services for providers serving their location.

Provider quality performance data is also made available to consumers on WA-APCD website.

Payer price transparency (2016)

RCW 48.43.007



What is it?

Health plans required to offer certain price and quality information to members.

Administered by OIC.



What is the source of the data?

Health plan negotiated rates with hospitals and other providers contracted with the health plan.

Allowed amounts and billed charges for contracted providers.



What data is captured?

Cost data for common treatments within inpatient, outpatient, diagnostic tests, and office visits.

Meaningful consumer data for total cost of care for integrated care delivery systems.

Quality of care and patient-reported rating and feedback about providers.



How is it made available?

RCW does not require a particular method of making information available to consumers.

Most health plans have some cost, quality, and experience data available on their online member portals.



How is it utilized?

Consumers can directly access estimated cost-sharing for services covered by their plan on their plan's member portal.

Data are not published in a standard manner across health plans, making cross-plan comparisons very difficult.

Prescription drug price transparency (2019)

RCW 43.71C



What is it?

Contains prescription drug pricing information.
Administered by HCA.
All carriers, pharmacy benefit managers (PBMs), manufacturers, and pharmacy service administrative organizations (PSAOs) are required to submit data.



What is the source of the data?

Submitters submit drug pricing data using the pertinent standard data submission guides.
Aggregate drug utilization data is also submitted.



What data is captured?

Drug prices.
Aggregate drug utilization.
Aggregate top 25 drugs costs.
Aggregate drugs rebate data.



How is it made available?

Drug price transparency data are considered confidential information and are not generally publicly disclosable.
Aggregate data are included in annual reporting.
Data are made available to other transparency programs such as the Health Care Cost Transparency Board (Cost Board) as allowed by law.



How is it utilized?

Aggregate data are included in annual reporting.

Health Care Cost Transparency Board (2020)

RCW 70.390



What is it?

Mission is to analyze total health care expenditures and set cost growth benchmark for Washington.

Administered by HCA.

All carriers are required to submit aggregate health care spending data to HCA.

Washington is one of nine states with a health care cost transparency board.



What is the source of the data?

Health plans submit aggregate health care spending data using a standard data submission guide.

Non-claims expenditure information is included in the data submissions.



What data is captured?

Aggregate data for total medical expenditure, including medical, pharmacy, dental, vision, and long-term care services.

Aggregate data for net cost of private health insurance.

Aggregate health care spending data from other government entities like Veterans Administration (VA) and the Department of Labor and Industries (L&I).



How is it made available?

Aggregate data for health care spending and stratification by market, payer type, and by large provider organizations is made available to Cost Board at public meetings.

Performance against the benchmark is shared at the annual public hearing and included in the annual report to the Legislature.



How is it utilized?

The Cost Board utilizes the analyses and information to discuss policy options for containing health care cost growth.

Cost Board recommendations are included in the annual report to the Legislature.

Prescription Drug Affordability Board (2022)

RCW 70.405



What is it?

Mission is to monitor and mitigate unsupported price increases of prescription drugs.

Administered by HCA.

Conducts affordability reviews for selected prescription drugs in accordance with law.

Washington is one of nine states with a prescription drug affordability board.



What is the source of the data?

Drug pricing and clinical information from First Databank and Medi-Span.

Prescription drug utilization and cost data from WA-APCD.



What data is captured?

Drug products approved by Food and Drug Administration (FDA), including prices and clinical information.

Drug product utilization and cost data as reflected in health care claims submitted to WA-APCD.



How is it made available?

Affordability reviews and associated information is presented to PDAB in public meetings.

PDAB dashboard is published on HCA website and available to consumers.



How is it utilized?

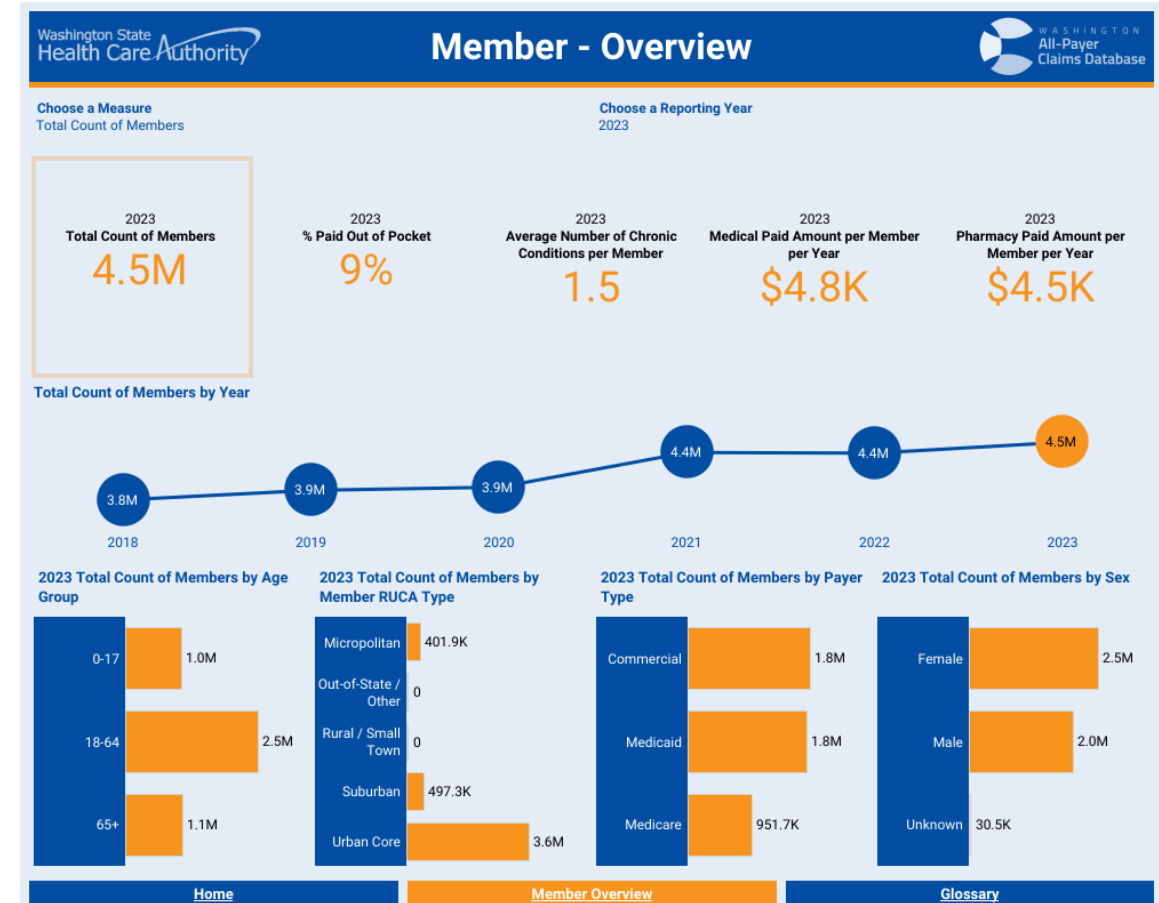
Data are used to present affordability review findings to the board.

PDAB dashboard contains information about prices and utilization for eligible drugs.

WA-APCD (2025)

EHB 1382

- ▶ HCA request legislation
- ▶ Permits HCA to act as Lead Organization
- ▶ Aligns WA-APCD with federal TiC rules beginning July 2026
 - ▶ **Permits publication of paid amounts and negotiated rates**



Hospital price transparency (2025)

SSB 5493



What is it?

Effective July 2027; hospitals required to comply with federal TiC rules shall submit the most recent MRF to DOH at least once a year.



What is the source of the data?

Hospital charge masters and hospital negotiated rates with payers.



What data is captured?

Gross charges from charge master.
Discounted cash prices.
Negotiated charges between hospital and payers.



How is it made available?

Single, comprehensive MRF.
Consumer-friendly display for about 70 CMS-specified "shoppable services".
At least annual submission to DOH.



How is it utilized?

MRFs can be downloaded by researchers and other businesses who can parse the data to make available to the public and purchasers (e.g., Turquoise Health, Mathematica, etc.).
Consumers can directly access shoppable service charges on hospital websites.

Additional transparency reporting in WA



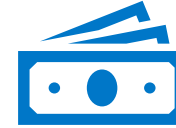
DOH: Comprehensive Hospital Abstract Record System (CHARS)

Standardized data submission.
Contains hospital inpatient and observation discharge abstract data.
Does not contain actual paid amounts data – includes hospital charges.
Visit the [DOH CHARS webpage](#).



DOH: Hospital financial reporting

Quarterly hospital financial reports.
Submitted by all hospitals in Washington.
Detailed information about hospital financial health.
Learn more about [DOH Hospital Financial Data](#).



OIC: Payer rate and form filing

Applicable to all insurers as required by state law.
Annual filings for upcoming coverage year rate increases.
Standardized data submission format aligned with the National Association of Insurance Commissioners ().
Detailed information about actuarial viability.
Visit the [OIC rate and form filing webpage](#).



OIC: Payer financial information filing

Quarterly and annual financial statements, including audited financial reports.
Applicable to all insurers as required by state law.
Standardized data submission format aligned with .
Detailed information about insurer financial health and actuarial viability.
Visit the [OIC Financial information filing webpage](#).

Other national programs

Other national transparency programs



RAND hospital price study

RAND Health has conducted study comparing hospital and Ambulatory Surgery Center (ASC) prices to Medicare since 2017.

Claims data from self-funded employers who volunteer to participate in the study and 12 state APCDs.

Aggregate state, system, and hospital-level data is available to the public as a dashboard.

Employer-specific reports detailing “relative pricing” as a percentage of Medicare are provided to participating employers. These are not available to public.

Visit the [RAND Hospital Price Transparency Study](#) and [Price Transparency Dashboard](#).



National Academy for State Health Policy (NASHP) hospital cost tool

Aggregates hospital-submitted Medicare Cost Report data to CMS using the Healthcare Cost Report Information System (HCRIS).

Aggregate state, system, and hospital-level data is available to the public as a dashboard.

Downloadable hospital level datasets are also available on NASHP hospital cost tool website.

Visit the [NASHP Hospital Cost Tool](#).



Turquoise Health Transparency in Coverage (TiC) price tool

Turquoise Health is one of many upcoming private businesses that “mine” the published TiC data in MRF format by payers and hospitals and convert those to human-readable and usable formats.

Some procedure-specific price comparison information is available to the public on the website.

Detailed price and comparison data are paywalled and available to those who pay to subscribe for access to those analyses and dashboards.

Visit the [Turquoise Health website](#).

Key takeaways

- ▶ Multiple price transparency efforts – federal, state, and national
- ▶ Complementary data and information from each tool
- ▶ Limitations and caveats associated with each tool



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Appendix

State example: Colorado hospital price transparency

► Uses hospital MRFs to share:

- Gross charges
- Discounted cash price
- Min & Max rates (de-identified)
- Payer-specific negotiated rates

► Publishes on public-facing tableau dashboard

Price Transparency Tool by [Colorado Department of Health Care Policy & Financing - Finance Office](#)

Intro Tutorial Price Transparency Table Price Transparency Diagram

Tutorial Back to Tool

Instructions: Hover over a specific box located on the table below to view details, instructions, and tips.
Tip: Tool size is fixed to accommodate smaller monitors. To increase the size to fit larger monitors, zoom in.

Procedure Filters

Code Type: (All) Category: (All)

Hospital Filters

Hospital System: (All) Hospital Name: (All)

Geographic Filters

Region: (All) County: (All)

Insurance Filters

Insurance Family: (All) Plan Type: (All)

Reset Filters

MS-DRG 807 - Vaginal Delivery without Sterilization Or D&C without CC/MCC

Hospital Name	File Posted Date	Hospital Code Description	Gross Charge	Medicare Rate	Discounted Cash Price	Aetna	AI
AdventHealth Avista	3/9/2023	VAGINAL DELIVERY WITHOUT STERILIZATION OR D&C WITHOUT CC/MCC	\$15,959.59	Rate Not Posted	\$6,383.84	\$6,139.29 - A HMO/PPO/POS \$5,578.57 - A WH EPO \$5,394.34 - FH HMO/PPO/POS	\$7,343.52 - AN BCBS HMO/PPO/POS
AdventHealth Castle Rock	3/9/2023	VAGINAL DELIVERY WITHOUT STERILIZATION OR	\$14,893.61	Rate Not Posted	\$5,957.44	\$6,033.15 - A HMO/PPO/POS \$7,342.55 - FH HMO/PPO/POS	\$6,726.43 - AN BCBS HMO/PPO/POS

The rates in this tool were posted by hospitals and may not be current. Therefore, these rates do not guarantee what may be charged or owed post-procedure. Actual charges are based on the current chargemaster (hospital internal rates) and the care that is actually provided. Rates may differ for several reasons, including, but not limited to; severeness of procedure, complications, supplies, or additional services required. Health Care Policy and Financing (HCPF) recommends that individuals contact hospitals and their insurance providers, if insured, for a more accurate quote. Current.

View on Tableau Public

Share

PBGH report on price transparency (1)

- ▶ Purchaser Business Group on Health report dated October 2025
 - ▶ Analyzed data from MRFs published related to TiC rules
 - ▶ Compared against claims data submitted by employers
 - ▶ Includes five large, self-insured employers and public purchasers, covering 10 regional markets across the U.S.

Key findings on Transparency-in-Coverage, Hospital Price Transparency and Purchasers' Claims Data:

- **TiC and HPT data usability varies dramatically.** Usability of the price transparency files ranged from excellent in some regional markets (Seattle) to largely unusable in others (Oregon, California). Hospital price transparency data posed greater analytical challenges and was generally inferior to payer submissions. However, the combination of HPT and TiC datasets with purchaser-specific claims data improved data completeness where gaps exist, and created a usable data set.
- **Claims data access barriers persist.** Despite clear legal rights for purchaser data access under Section 201 of the CAA, 2021, service providers, such as third-party administrators (“TPAs”) and health insurance carriers, frequently challenged purchasers’ access to their own claims data, citing proprietary concerns or provider contract restrictions.*

MRF: Machine-readable file; TiC: Transparency in Coverage

PBGH report on price transparency (2)

- ▶ Purchaser Business Group on Health report dated October 2025
 - ▶ Analyzed data from MRFs published related to TiC rules
 - ▶ Compared against claims data submitted by employers
 - ▶ Includes five large, self-insured employers and public purchasers, covering 10 regional markets across the U.S.

Key Market Findings:

- **Price variation defies economic logic.** Pricing varied within and between regional markets, and among and across different payers in the same facilities. For example, median reported negotiated facility rates for a cesarean section without complication or other concurrent procedures ranged from \$11,547 (Chicago) to \$27,199 (Northern California). There were also variations of price within the same facility. At one hospital, the negotiated rate for the same medication varied by 49% between two plans. This variation exemplifies why purchasers need visibility into real prices to ensure they are meeting fiduciary obligations and not overpaying for health care products and services.
- **Price and quality are not correlated.** Analysis revealed that higher-priced providers frequently performed worse on standardized quality measures, while lower-priced providers often demonstrated superior safety and

MRF: Machine-readable file; TiC: Transparency in Coverage

Figure 4. Specific Hospitals and Health Systems Did Not Consistently Submit Usable HPT Files

Data usability ("Percent of Expected") ratings for HPT files in Seattle/Puget Sound regional market.

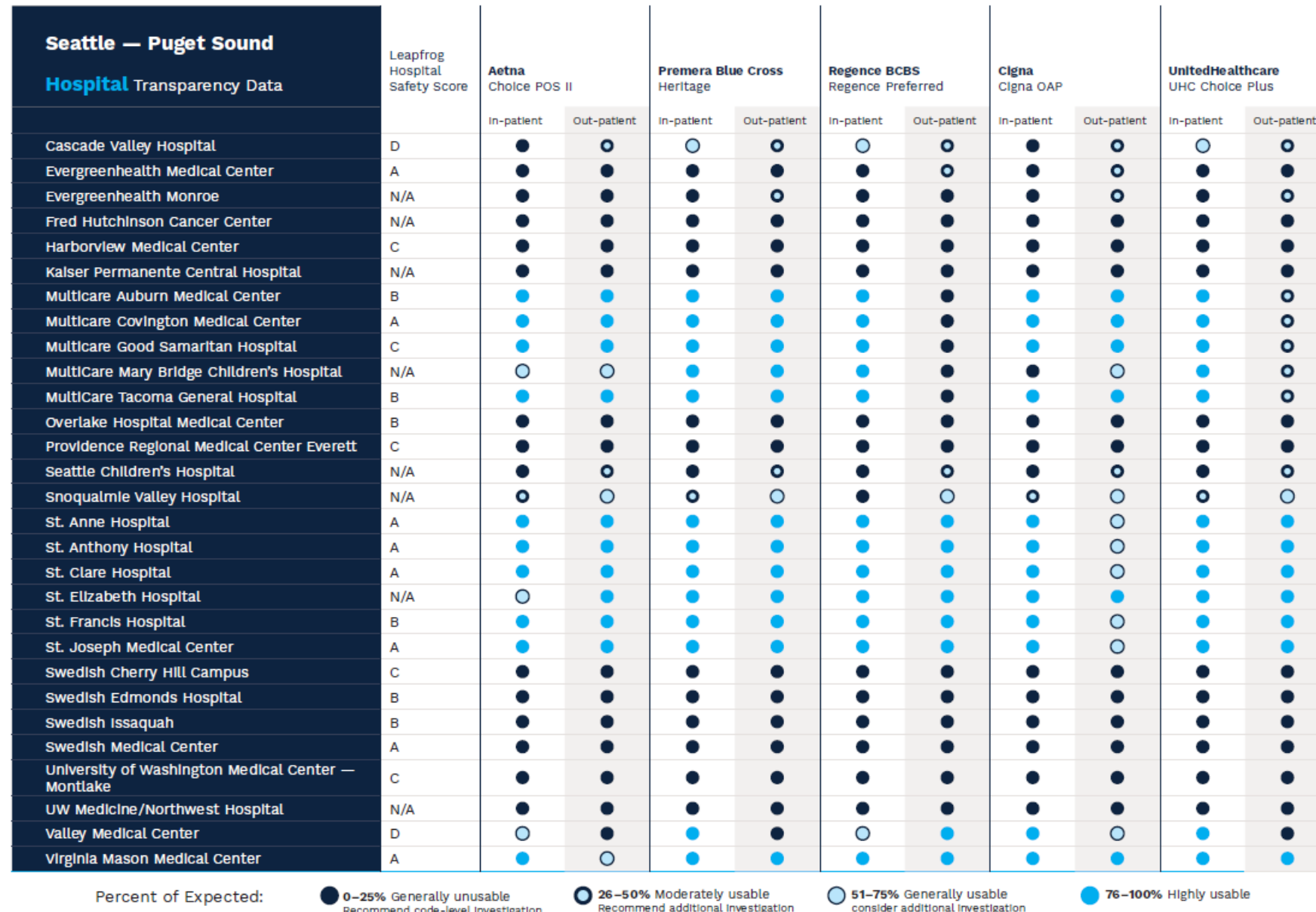


Figure 2. Data Usability in TiC files is Inconsistent Even Within the Same Service Provider

Data usability ("Percent of Expected") ratings for TIC files in Seattle/Puget Sound regional market.

