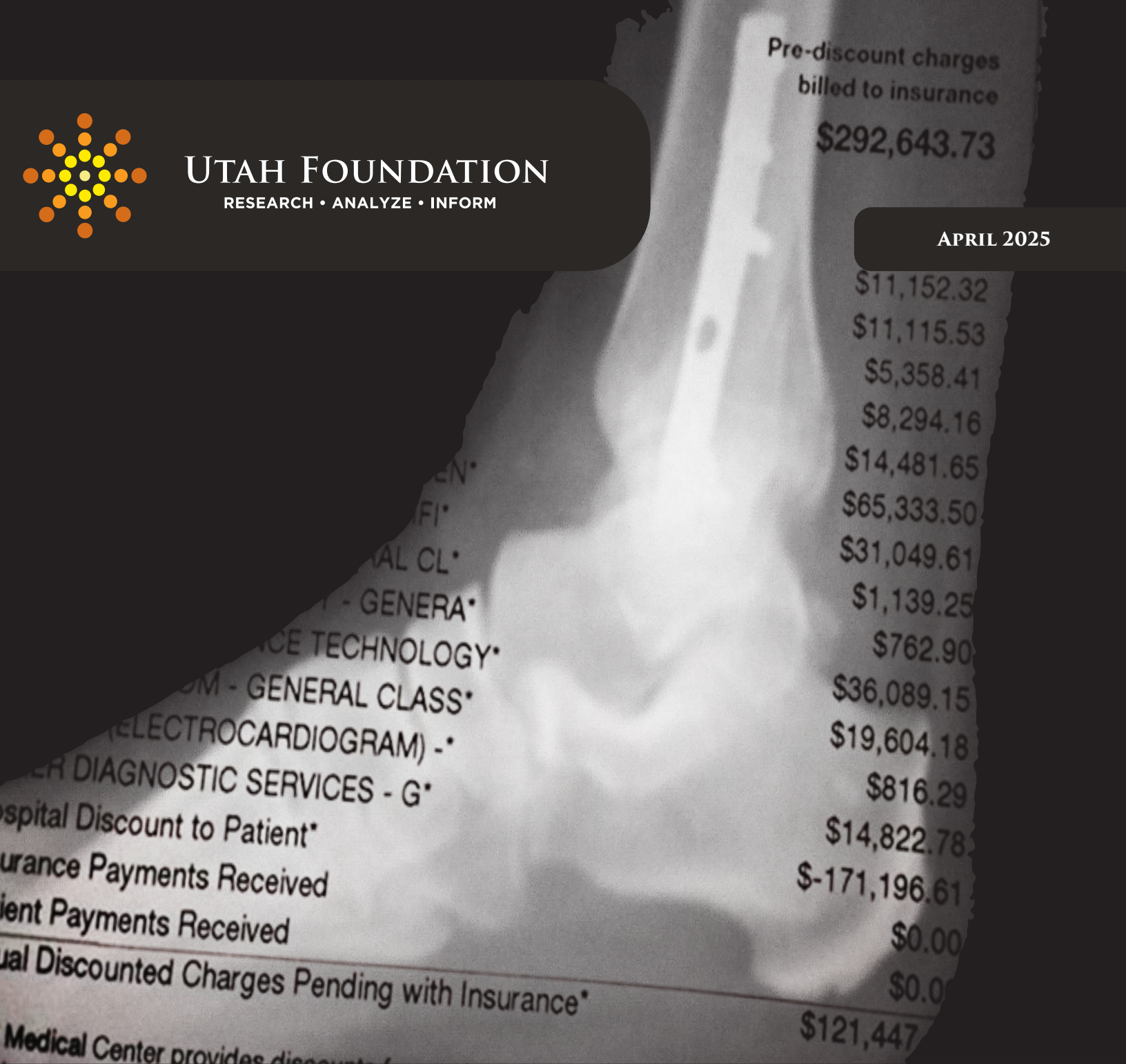




UTAH FOUNDATION
RESEARCH • ANALYZE • INFORM

APRIL 2025



Pre-discount charges
billed to insurance
\$292,643.73

...	\$11,152.32
...	\$11,115.53
...	\$5,358.41
...	\$8,294.16
...	\$14,481.65
...	\$65,333.50
...	\$31,049.61
...	\$1,139.25
...	\$762.90
...	\$36,089.15
...	\$19,604.18
...	\$816.29
...	\$14,822.78
...	\$-171,196.61
...	\$0.00
...	\$0.00
...	\$121,447

X-RAYING HEALTHCARE

A Look at Price Transparency for Utahns

X-RAYING HEALTHCARE

A LOOK AT PRICE TRANSPARENCY FOR UTAHNS

Special thanks to the following for providing project-based support:

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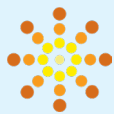
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SUMMARY

Historically, people in the United States have been unable to know the price of healthcare services before they receive care. They are often unaware of their personal financial responsibility until they are billed. Only in recent years has this begun to change due to a bipartisan effort to increase price transparency, with the goal of making it easier for the average person to find healthcare prices. This legislative push comes in response to a situation that most agree is untenable: high prices in the United States healthcare system. Some hope that more available pricing will unleash previously dormant market forces and competition in the healthcare system, thereby lowering prices and increasing efficiency. However, the most recent research suggests that pricing transparency alone will likely have a minimal impact on healthcare prices. If lawmakers are serious about lowering prices, they must look to implement effective policy levers alongside price transparency efforts.

INTRODUCTION

A parent is seeking a pediatrician for their child. A grandparent is told that they will need a hip replacement. An individual is looking to schedule an appointment with a mental health provider. What might these services cost them? Traditionally, prices for services and procedures in the United States healthcare system have been difficult to determine – until patients receive a final bill. This is due to the complexity of the system, where some prices are determined in negotiations between the providers and insurance companies, some are determined by the provider alone for self-pay or uninsured patients, and others are set by the government (Medicare and Medicaid).¹



REPORT HIGHLIGHTS

- Datasets generated by federal price transparency rules have granted researchers, employers, journalists, and other observers unprecedented oversight of the healthcare industry.
- While some stakeholders look to price transparency as a method of lowering healthcare prices, recent research does not seem to support this method.
- Given that current price transparency tools rarely reach patients, providing Advanced Explanation of Benefits can potentially improve patient experiences.
- Utah's All-Payers Claim Database serves as a rich source of healthcare data, while the Healthcare Value Hub suggests opportunities to leverage those data to improve Utahns' healthcare experiences.

¹ Rao, Preethi, Shira Fischer, Mary Vaiana, et al. 2022, "Barriers to price and quality transparency in health care markets," *Rand Health Quarterly*, <https://pmc.ncbi.nlm.nih.gov/articles/PMC9242565/>.

In addition, what an individual's insurance company is willing to pay for a procedure may not reflect what an individual's out-of-pocket cost will be, as that is determined by their plan structure.

Americans are not content with this status quo, with one poll estimating that 9 in 10 Americans desire transparent prices upfront for procedures.² Policymakers are responding in kind, passing laws that seek to increase the availability of prices in the healthcare market.

CURRENT REGULATORY ENVIRONMENT

The largest policy movement towards healthcare price transparency in recent years comes from federal regulation overseen by the Centers for Medicare & Medicaid Services (CMS). CMS introduced two rules that seek to promote price transparency by requiring hospitals and insurance companies to provide detailed pricing information on their websites. These are the Hospital Transparency Rule and the Transparency in Coverage Rule.³ In theory, these two rules should grant consumers multiple ways to find price information. The first would be to use cost estimation tools that insurance companies are now required to provide. To access these tools, you must sign in to your online insurance portal and look for a "cost estimator tool." One could then select a procedure and see a list price. Because your insurance company has your plan information, it, in theory, should be better equipped to provide you with your actual out-of-pocket cost estimate as well.

The second way the CMS rules make healthcare prices available to consumers is through hospital websites. Under the transparency rules, hospitals must post prices for more than 300 common procedures. If one were to examine the cost of care before a procedure, they could go to the hospital website and enter information about the procedure they seek. The distinct disadvantage of this approach is that the hospital tools cannot calculate your actual "out-of-pocket" cost because they do not have access to your insurance plan information. Additionally, hospital websites only provide pricing information for hospital care. For most insured consumers, the best way to access accurate price information is through their insurance provider.

Recent rules also provide pricing information to those who self-pay or are uninsured. These rules are found in the No Surprises Act, which entitles patients to good-faith pricing estimates before they receive non-emergency services.⁴

² Anderson, Kristen, John Volpe, 2024, "Survey results on healthcare price transparency," *Echelon Insights*, <https://static1.squarespace.com/static/60065b8fc8cd610112ab89a7/t/66df1030f3a-75957f4ee5eff/1725894704687/Patient+Rights+Advocate+Transparency+Survey+Deck.pdf>.

³ Center for Medicare and Medicaid Services, 2024, "Hospital price transparency," last modified September 10 2024 <https://www.cms.gov/priorities/key-initiatives/hospital-price-transparency>. And Center for Medicare and Medicaid Services, 2024, "Transparency in coverage," last modified September 10 2024, <https://www.cms.gov/priorities/key-initiatives/healthplan-price-transparency>.

⁴ Center for Medicare and Medicaid Services, 2025, "No surprises," last modified January 14 2025, <https://www.cms.gov/nosurprises>.

PRICE TRANSPARENCY IMPACTS: PATIENT INFORMATION

Let us return to the three hypothetical situations from the introduction: the parent looking to find a pediatrician for their child, the grandparent needing a hip replacement, and the individual seeking a mental health provider.

After four years of federal price transparency regulations, will it be easier for these patients to find healthcare cost prices? The answer is likely no. In fact, according to a 2024 survey, only 17% of Americans report knowing what their healthcare costs are before they receive treatment.⁵

One likely reason is that very few people use online price transparency tools that are readily available to them.⁶ As stated previously, patients most likely can find prices through their insurance company portal. If the uptake of these tools is low, prices are not likely to reach patients. There is not a clear answer explaining why patients are not using the tools available to them. However, there has been much research into contributing factors.

⁵ Marken, Stephanie, 2024, "Few Americans know how much their healthcare costs," *Gallup*, <https://news.gallup.com/poll/609434/few-americans-know-healthcare-costs.aspx>.

⁶ Healthcare Value Hub, 2018, "Revealing the truth about price transparency," <https://www.healthcarevaluehub.org/advocate-resources/publications/revealing-truth-about-healthcare-price-transparency>. And Mehrotra, Ateev, Michael Chernew, Anna Sinaiko, 2018, "Promise and reality of price transparency," *The New England Journal of Medicine*, <https://www.nejm.org/doi/full/10.1056/NEJMhpr1715229#core-r23>.

An example of a hospital transparency tool price estimate

Estimate for Removal of tonsils patient age 12 or over



Procedure prices are estimates only – the amount shown is based upon our current knowledge and according to the information provided at the time of your request. We are unable to guarantee the charges being equal to or less than the estimate provided. Actual services received and associated charges for the procedure(s) may be greater or less than the estimated amount, due to each patient's unique clinical needs.

You Pay	Reference #2113548
\$5,296	
Deductible ⓘ	\$5,296
Details	
	\$8,390
	\$8,001 ● Estimated Fees ● \$11,719
	Low High
Total fees ⓘ	\$8,390
Hospital Charges	\$6,531
Physician Charges	\$1,859
Insurance covers ⓘ	-\$3,094
You pay ⓘ	\$5,296

One of the most important considerations is that only 12% of the US population is “health literate.”⁷ This is defined by the Centers for Disease Control and Prevention as “[possessing] the ability to find, understand, and use information and services to inform health-related decisions and actions for themselves and others.”⁸

Troublingly, some groups with the most challenging time understanding health information need it most. These include people over 65, lower-income individuals, those using Medicare or Medicaid, and the uninsured.⁹

Researching healthcare prices requires an understanding of the healthcare system that many consumers may not possess. For example, many insurance companies only provide price information organized by medical code. The primary author of this report attempted to use his insurance’s tool to search for an “MRI” and was met with dozens of different coded procedures, each with a respective price. If he had really needed an MRI, only one of those options would have been appropriate.

⁷ Lopez, Claude, Bumyang Kim, Katherine Sacks, 2022, “Health literacy in the United States,” *Milken Institute*, https://milkeninstitute.org/sites/default/files/2022-05/Health_Literacy_United_States_Final_Report.pdf.

⁸ Center for Disease Control, n.d. “What is health literacy?” Accessed January 14 2024, <https://www.cdc.gov/health-literacy/php/about/index.html#:~:text=Personal%20health%20literacy%20is%20the,actions%20for%20themselves%20and%20others>.

⁹ In addition, Hispanic/Latino individuals and non-native English speakers are less likely to be health literate. Milosavljevic, Sofia, Michael Milligan, Miranda Lam, 2023, “Barriers patients face in predicting cost of care despite increasing healthcare price transparency,” *Journal of General Internal Medicine*, <https://pmc.ncbi.nlm.nih.gov/articles/PMC10361895/>.

An example of what an Advanced Explanation of Benefits might look like

SUBSCRIBER NAME: JANE DOE

SUBSCRIBER ID: 3HZN12345678

SUMMARY INFORMATION

CLAIM NUMBER	PATIENT NAME	RELATION	GROUP NUMBER	AMOUNT BILLED	YOUR PLAN PAID	WHAT YOU OWE
901234567890123 00	JANE DOE	SELF	000012345	4,000.00	2,160.00	1,840.00

DETAIL INFORMATION

A	B	C	D	E	F	G	H	I	J	K	L
DATE OF PROVIDER SERVICE	TYPE OF SERVICE	AMOUNT BILLED	ALLOWED AMOUNT	YOUR PLAN PAID	YOUR OTHER INSURANCE PAID	COPAY	COINSURANCE	DEDUCTIBLE	AMOUNT NOT COVERED	WHAT YOU OWE	CLAIM DETAIL
03/08/2021	ANYTOWN MEDICAL CENTER SPECIALTY ROOM	2,000.00	2,000.00	360.00		100.00	40.00	1,500.00		1,640.00	Z189
03/08/2021	ANYTOWN MEDICAL CENTER LABORATORY	2,000.00	2,000.00	1,800.00			200.00			200.00	
TOTAL		4,000.00	4,000.00	2,160.00		100.00	240.00	1,500.00		1,840.00	Z084a

AN ALTERNATIVE: ADVANCED EXPLANATION OF BENEFITS

There have been efforts to improve how the system delivers prices to patients. For example, a policy embedded in the No Surprises Act may increase patient usability.¹⁰ This policy is known as Advanced Explanation of Benefits, which requires healthcare providers to send pricing information to insurance providers before the date of care. Insurance providers then use that information to prepare explanations of benefits, including anticipated out-of-pocket costs, which would automatically be sent to patients. An Advanced Explanation of Benefits policy provides the advantage of potentially overcoming the cultural and knowledge barriers underpinning the low usage of other price transparency tools. Instead of patients being expected to research the price of a service themselves, the price of each service is delivered to them on paper or electronically.

This practice could have downstream benefits, perhaps increasing price literacy as patients see more healthcare prices. It could also help foster increased awareness and discussions of different healthcare prices within social circles.

Why are you not receiving an Advanced Explanation of Benefits for your procedures? The requirement has been put on hold in response to industry feedback about the lack of existing infrastructure for healthcare and insurance providers to cooperate on producing these benefits reports. It is not clear when the requirement will be reinstated.¹¹

PRICE TRANSPARENCY IMPACTS: SYSTEM OVERSIGHT

Though current price transparency efforts have fallen short of creating better-informed healthcare consumers, they have served to increase transparency in the healthcare system overall. The Centers for Medicare & Medicaid Services' regulations promoting price transparency – and other state-level price transparency efforts – have produced massive datasets that describe the healthcare system. Academics, policymakers, employers, healthcare providers, journalists, and entrepreneurs are already making use of this information to identify cost drivers in healthcare and seek to further understand the complicated U.S. healthcare system.

The effects of this increased data are already being seen. A search for terms relating to healthcare price transparency data returns dozens of peer-reviewed papers analyzing and interpreting the federal datasets.¹² Addition-

¹⁰ Center for Medicare and Medicaid Services, 2023, "No surprises act protections: Status of implementation," <https://www.cms.gov/files/document/nsa-implementation-status.pdf>.

¹¹ Center for Medicare and Medicaid Services, 2024, "Progress toward advanced explanation of benefits (AEOB) rulemaking and implementation," <https://www.cms.gov/files/document/progress-aeob-rulemaking-implementation.pdf>.

¹² For example, a search of "Turquoise Health database," one frequently used database of price transparency information, on Google Scholar returned 36 results as of January 16 2025. Many are published in specialty specific medical journals and highlight the variation in prices for certain procedures.

ally, employers have found this information valuable while seeking to control costs in their self-funded health plans.¹³ For example, a motivated head of the State of Montana Employee Group Benefit Plan was able to use price transparency data to turn around the plan from a \$9 million deficit to a \$112 million surplus in less than three years. The advocacy group Patient Rights Advocate highlights other such successes on their website.¹⁴

PRICE TRANSPARENCY IMPACTS: HEALTHCARE PRICES

In addition to consumer choice and increased oversight as goals for price transparency efforts, many proponents point to a potential reduction in healthcare prices as their primary goal in supporting the policy.¹⁵

Theory of Price Transparency and Price Reductions

Those who believe price transparency will lower prices draw from market economics theories. They see the high levels of price variation in the United States, where one hospital or insurer might charge or pay much more for a service than another. They posit that the price variation is caused by patients not having enough information to choose lower-cost providers. They theorize that under a more transparent system, more people would select lower-cost providers, forcing the higher-cost providers to lower prices in order to remain competitive.¹⁶

Lowering healthcare prices is a key policy goal. The United States spends the most per capita out of any country on healthcare. In fact, it spends almost twice as much per capita compared to the average of peer nations.¹⁷

¹³ James Gelfand, president and CEO of the ERISA Industry Committee, a group that represents employers who fund their own health plans, spoke to NPR and expressed his group's support for price transparency efforts; Appleby, Julie, 2024, "Employers lobby to keep health care prices transparent in hopes of containing costs," *National Public Radio*, <https://www.npr.org/2024/12/19/nx-s1-5233326/trump-health-care-price-transparency-employers>.

¹⁴ Patient Rights Advocate, 2024, "Price transparency success stories," accessed January 14 2025, <https://www.patientrightsadvocate.org/price-transparency-videos>.

¹⁵ For example, look to how the More Transparency, Lower Prices Act is being promoted by members of Congress. See Energy and Commerce, n.d. "Lower costs more transparency act," accessed January 14 2025, <https://energycommerce.house.gov/LCMT>.

¹⁶ For an example of this thinking, see Donald Trump's 2019 Executive Order. See Trump, Donald, 2019, "Executive order 13877—Improving price and quality transparency in American healthcare to put patients first," <https://www.govinfo.gov/content/pkg/DCPD-201900419/pdf/DCPD-201900419.pdf>.

¹⁷ Gunja, Munira, Evan Gumas, Reginald Williams, 2023, "U.S. health care from a global perspective, 2022: Accelerating spending, worsening outcomes," *The Commonwealth Fund*, <https://www.commonwealthfund.org/publications/issue-briefs/2023/jan/us-health-care-global-perspective-2022>.



Nonetheless, healthcare spending in the United States continues to grow, and recent research suggests high healthcare prices are to blame.¹⁸

In Utah, recent data shows that Utahns enjoy the lowest personal yearly healthcare expenditures nationwide.¹⁹ Even so, many Utahns still suffer from healthcare affordability concerns.²⁰

Have Prices Decreased under Price Transparency?

To date, there has been no direct, peer-reviewed, observational study of how all healthcare prices have changed in response to federal price transparency rules. One explanation may be that the rules have experienced a slow rollout, with each rule being instituted in spaced installments. Only very recently have all aspects of the rules been in full effect.²¹

Turquoise Health, a healthcare data-insights company that is built on federal price transparency data, has, however, produced a white paper in late 2024 attempting to assess the impact of price transparency rules on healthcare prices in the United States' ten largest metro areas. Tracking price changes of 37 common procedures starting from 2021, they found that the 25% costliest procedures decreased by 6.3%, whereas the 25% least costly procedures increased by 3.4%, with the middle 50% of prices decreasing by 1.1%. They interpreted this as a collapsing of price variation, consistent with economic theory, which posits that enhanced price transparency should lead to increasingly uniform market prices. They note, however, that the decrease in higher-priced procedures has not resulted in lower prices in all markets, explaining that "price convergence alone does not necessarily equate to overall cost reduction or improved consumer affordability."²² Turquoise Health self-published the report, noting that it had not been peer-reviewed but encouraging others "to approach this white paper as an invitation to engage in further dialogue and formal research."²³ At least one topic matter expert has questioned the validity of the findings.²⁴

¹⁸ Wager, Emma, Matthew McGough, Shameek Rakshit, et al. 2024, "How does health spending in the U.S. compare to other countries?" *Peterson-KFF Health System Tracker*, <https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/>; Cox, Cynthia, Jared Ortaliza, Emma Wager, et al. 2024, "Healthcare costs and affordability," *KFF*, <https://www.kff.org/health-policy/101-health-care-costs-and-affordability/?entry=table-of-contents-what-factors-contribute-to-u-s-health-care-spending>.

¹⁹ Center for Medicare and Medicaid Services, 2024, "NHE fact sheet," last modified December 18 2024, <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet>.

²⁰ Healthcare Value Hub, n.d. "Utah consumer healthcare experience state survey," accessed January 14 2025, <https://www.healthcarevaluehub.org/advocate-resources/utah-consumer-healthcare-experience-state-survey>.

²¹ Whitsel, Lizzie, Carol Skenes, 2024, "Moving into 2024: State of price transparency" *Turquoise Health*, <https://blog.turquoise.health/moving-into-2024-state-of-price-transparency/>.

²² Xiao, Forrest, 2024, "Is price transparency helping?" *Turquoise Health*, <https://hey.turquoise.health/is-price-transparency-helping-white-paper>.

²³ Ibid.

²⁴ Gerard Anderson, professor of Health Policy and Management at Johns Hopkins University, told National Public Radio that he changes Turquoise noted were small and are not reflective of what his team has seen in their own studies. See Appleby, Julie, 2024, "Employers lobby to keep health care prices transparent in hopes of containing costs," National Public Radio, <https://www.npr.org/2024/12/19/nx-s1-5233326/trump-health-care-price-transparency-employers>.

Other groups have also studied the question of price transparency. For example, the Congressional Budget Office produced a report in 2022 that found a small, anticipated impact on prices stemming from price transparency (a 0.1% to 1% reduction in prices).²⁵ The study drew upon data from New Hampshire, which has had the most comprehensive price transparency infrastructure in the United States for more than ten years, and studies of health plans that have implemented price transparency efforts for their analysis.

Other healthcare researchers share their view, citing that one of the main reasons price transparency efforts fail to impact prices is because they fail to increase provider competition due to consumer behavior because of innate structural barriers in the healthcare system.²⁶ One major barrier is that only roughly 40% of healthcare spending in the United States is classified as “shoppable.”²⁷ Usually, this means that the service is non-emergency, and the patient can schedule the service in advance with whichever provider they please. An important caveat to these analyses is that, though they draw on historical evidence, they are speculative. Pricing transparency could have a greater or lesser effect than anticipated in the future.

Additionally, there have been data quality issues with some of the information reported under the law. According to the Government Accountability Office, those using hospital pricing data resulting from the Centers for Medicare & Medicaid Services’ rules have found the data to be inaccurate and incomplete.²⁸

Much has been written about some hospitals’ lack of compliance with the federal transparency rules.²⁹ The American Hospital Association responded by saying that hospitals are acting in good faith and that the rollout of price information has been challenging.³⁰ Other groups, including some health

²⁵ Congressional Budget Office, 2022, “Policy approaches to reduce what commercial insurers pay for hospitals’ and physicians’ services,” <https://www.cbo.gov/publication/58222>.

²⁶ Amin, Krutika, Emma Wager, Zachery Levinson, et al. 2024, “Health cost and affordability policy issues and trends to watch in 2024,” *Peterson-KFF Health System Tracker*, <https://www.healthsystemtracker.org/brief/policy-issues-and-trends-2024/>. And Whaley, Christopher, Austin Frakt, 2022, “If patients don’t use available health service pricing information, is transparency still important?” *AMA Journal of Ethics*, <https://journalofethics.ama-assn.org/article/if-patients-dont-use-available-health-service-pricing-information-transparency-still-important/2022-11>.

²⁷ Whaley, Christopher, Austin Frakt, 2022, “If patients don’t use available health service pricing information, is transparency still important?” *AMA Journal of Ethics*, <https://journalofethics.ama-assn.org/article/if-patients-dont-use-available-health-service-pricing-information-transparency-still-important/2022-11>. And Kurani, Nisha, Matthew Rae, Karen Pollitz, et al. 2021, “Price transparency and variation in U.S. health services,” *Peterson-KFF Health System Tracker*, <https://www.healthsystemtracker.org/brief/price-transparency-and-variation-in-u-s-health-services/>.

²⁸ U.S. Government Accountability Office, 2024, “Healthcare price transparency: CMS needs more information on hospital pricing completeness and accuracy,” <https://www.gao.gov/products/gao-25-106995>.

²⁹ For example, see Patient Rights Advocate, 2024, “The seventh semi-annual hospital price transparency compliance report,” <https://www.patientrightsadvocate.org/seventh-semi-annual-hospital-price-transparency-report-november-2024>.

³⁰ American Hospital Association, n.d. “Fact sheet: Hospital price transparency,” accessed January 14 2025, <https://www.aha.org/fact-sheets/2023-02-24-fact-sheet-hospital-price-transparency>.

FOCUSING ON UTAH

All-Payers Claim Database

Utah, like many other states, maintains an All-Payers Claim Database. These types of databases are employed by states to collect information on healthcare claims. The Utah Department of Health and Human Services, which manages the All-Payers Claim Database, explains that the database includes information from health insurers, Medicaid, and third-party administrators, consisting of medical, dental, and pharmacy claims, including insurance enrollment and healthcare provider data.³⁵

The All-Payers Claim Database provides detailed data, including large amounts of anonymized healthcare information surrounding actual care that Utahns received. Because the database tracks claims, it captures the cost of each individual instance of nearly every procedure or service performed of a certain type in Utah. These data are then made available to researchers and other groups that can license its use after being vetted. Though price transparency is not the sole goal of these databases, the rich datasets can generate insight into the cost of medical procedures in a state. For example, the All-Payers Claim Database has been used to create a cost comparison tool, the Utah Health Cost Compare, under the leadership of the Office of the State Auditor. Using the tool makes it possible to see the average price of listed procedures, organized by facility and provider.

³⁵ Utah Department of Health and Human Services, n.d. "About the all payers claims data," accessed January 14 2025, <https://healthcarestats.utah.gov/about-the-data/apcd/>.



Though the tool is easy to use, it has some drawbacks. The average price listed is an estimated out-of-pocket cost, which may not reflect individual responsibility. Organizing by facility and provider also means that it is not possible to search by insurer, which would likely give more accurate results. Like other price estimators, the Cost Compare tool received low usage, with the auditor's office estimating only 250 visitors a month using the site to price medical procedures.³⁶

It is likely that the increased availability of insurance-provided price estimates, either through a cost estimate tool or an Advanced Explanation of Benefits (as well as Good Faith Estimates for the uninsured), will render state-led cost estimate tools duplicitous.

Healthcare Value Hub

Though state-led price transparency efforts have difficulty reaching consumers, All-Payers Claim Databases still play an important role in informing improvements to the healthcare system.

The Healthcare Value Hub has produced a report highlighting the potential of Utah's All-Payers Claim Database and providing suggestions for improvement. They note that currently, Utah has mainly produced one-time reports surrounding price variation of certain procedures, though these reports do not provide policy recommendations.³⁷

To maximize the impact of the All-Payers Claim Database, the Hub has three recommendations. First, it recommends the state require quarterly or annual reports on priority issues, like healthcare spending, utilization, and prices. These could be created by the Utah Health Data Committee or the One Utah Health Collaborative.

Second, the Hub suggests that the All-Payers Claim Database offer custom, targeted reports to stakeholders, who have the power to negotiate lower prices. These stakeholders might include providers, employers, insurers, and purchasing cooperatives.

Finally, the Hub recommends that the Database provide a more complete dataset by encouraging data submission from Medicaid, Medicare, and employers with self-insured plans. The Healthcare Value Hub based these recommendations on the success of Colorado in using price transparency data to address healthcare trends. The nonprofit Center for Improving Value in Health Care has released frequent reports on Colorado's healthcare spending and cost drivers in healthcare. As a result, a healthcare purchasing cooperative used the information to negotiate prices with a local hospital on behalf of its members. This action reportedly saved two million dollars in premiums for 4,500 of their members.

³⁶ Correspondence with a representative of Utah's Office of the State Auditor.

³⁷ Healthcare Value Hub, 2023, "Utah healthcare affordability: A closer look," https://www.healthcarevaluehub.org/application/files/6616/9160/5738/Utah_Deep_Dive_2023_Final.pdf.

CONCLUSION

Americans are not content with their access to pricing information while accessing healthcare. In contrast to the current system where prices are not available until they appear on a bill, many Americans want prices upfront, before they receive care.

This discontent and the continued high prices in healthcare have created a unique opportunity for bipartisan cooperation. The federal government has responded in kind, creating regulations that require hospitals and insurers to share previously proprietary pricing information with the public.

The immediate impact of these regulations has been the creation of massive price datasets across the healthcare system. These datasets have had some quality issues. However, they have still been useful to researchers, lawmakers, employers, journalists, providers, and other observers in providing unprecedented insight into the financial operations of the healthcare industry.

Some stakeholders look to price transparency as a way to control high medical prices in the United States by empowering consumers to choose lower-cost providers over higher-cost ones. However, recent research suggests that this transparency is not leading to lower healthcare prices.

This may be because the price information has largely failed to reach the patients it was created for. The reasons for this are still being explored; however, patients' low usage of pricing tools and the challenges most Americans face in understanding health information are likely significant factors.

Though the hoped-for consumer-driven price reductions have not occurred, some states have seen success in controlling healthcare prices by using pricing information to inform policies that hinder healthcare consolidation, reduce extra hospital fees, and require healthcare companies to report pending mergers.

Further, some are looking to improve patient experiences by requiring healthcare providers to collaborate with insurance companies to provide a comprehensive cost estimate before the date of care. This is referred to as Advanced Explanation of Benefits.

In Utah, the All-Payers Claim Database serves as a rich source of healthcare data. The Healthcare Value Hub suggests several opportunities to leverage that database to improve Utahns' healthcare experiences.

Many Utahns and Americans are dissatisfied with high and opaque prices in the healthcare system. Current transparency efforts may not work entirely as planned in alleviating the pain they feel when they open their bills. However, efforts are underway to improve how pricing information reaches patients.



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