

**Opening Statement of Ranking Member Frank Pallone, Jr.
House Energy and Commerce Committee
Subcommittee on Oversight and Investigations
Hearing on “Examining State Efforts to Improve Transparency of Health
Care Costs for Consumers”**

July 17, 2018

The cost of health care is consistently a top concern for American families. But all too often, consumers face an initial problem before they even receive care, knowing how much a certain health care service is going to cost them. That’s because there are so many players in the health care industry making it difficult to bring clear cost transparency to the consumer.

Two different patients can receive the same service from a doctor but end up being charged starkly different prices. This makes it difficult for a patient to make an informed decision about their care.

There are multiple factors contributing to this lack of transparency in health care. For example, a provider may have a set rate it charges for private-pay customers, but depending on a person's insurance and deductible, their price could vary greatly.

This differs from most other markets, where the consumer has a clear understanding of how much a product or service will cost, and can shop around to obtain the best deal. The nature of health care makes this more complicated. And it's particularly noticeable in emergency situations where a patient's top concern is receiving the lifesaving care they need, rather than what that care will cost. In other expensive specialties such as oncology, patients trust their doctors to provide them with referrals based on quality of care.

That being said, consumers can certainly benefit from more information, and there are opportunities to bring more transparency to the health care industry. As we will hear from the witnesses today, just about every state has implemented some type of transparency initiative. For instance, my home State of New Jersey recently passed a law requiring providers to notify patients if they are out-of-network, helping to avoid surprise bills for patients.

Many states have also created websites that post the prices of common procedures, and allow consumers to browse the prices at various providers. This kind of reform can empower a consumer just by giving them greater access to information.

I look forward to hearing from the witnesses what the research says about these efforts, and what other reforms are being attempted

by the states. However, we should be cautiously optimistic about greater transparency, as we have seen only modest results in actually bringing down costs. Some studies have even found an increase in prices with more transparency, so we should be mindful of these results before considering any reforms.

I also think it is important that we keep the big picture in mind here. It is one thing to bring more transparency to health care, and give consumers information on what they are being charged, but we should also encourage meaningful efforts to actually reduce health care costs for American families.

And one of the primary ways to do that is by ensuring access to affordable health coverage. Whether it be Medicaid, essential health benefits in private insurance, or a robust marketplace for individuals

to shop for insurance – transparency matters only if consumers have access to high-quality, affordable health care.

Finally, while I appreciate the efforts of this Subcommittee to explore these issues, I would be remiss if I did not note that there is an emergency taking place right now within HHS that this Committee should be holding an oversight hearing on. Today, there are still more than 2,500 children in the custody of HHS who have yet to be reunited with their families after being forcibly separated by the Trump Administration. This Committee has a responsibility to conduct vigorous oversight of the federal government, and today would have been a perfect day to have HHS Secretary Azar and Scott Lloyd, the Director of the Office of Refugee Resettlement.

I again urge the Republican Majority to schedule a hearing as soon as possible so we can work to fix this crisis, and so we can finally get answers.