

**Opening Statement of Chairman Walden
Subcommittee on Oversight and Investigations
“Examining State Efforts to Improve Transparency of Health Care Costs for
Consumers”
July 17, 2018**

As Prepared for Delivery

Thank you, Mr. Chairman, for holding this hearing on the various transparency efforts at the state level to engage patients in the health care decision making process.

As Chairman Harper mentioned in his opening statement, health care costs are increasing and are expected to continue to rise. In 2016, the U.S. spent approximately \$3.3 trillion on health care, and the Centers for Medicare and Medicaid Services (CMS) estimates that spending will reach \$5.7 trillion by 2026.

Health care costs are having a substantial impact on the budgets of American families and individuals. In addition to health insurance premiums increasing, patients are also directly responsible for more of their health care costs. In 2016, about 11 percent of the \$3.3 trillion spent on health care was paid for directly by consumers through out-of-pocket costs—which was about \$352 billion dollars.

Unsurprisingly, as health care costs increase, most patients want to know more about how much different medical services and products are going to cost them. We all do. I’ve heard numerous stories about individuals who were going to have a medical procedure or lab work performed and found it nearly impossible, and in some instances impossible, to learn how much it was going to cost them

before they got the care. A lot of *doctors* don't even know how much different services are going to cost.

Many states have adopted policies to prohibit some types of "gag clauses" and help patients get access to the prices for prescription drugs. Twenty-two states have passed legislation prohibiting clauses in contracts that prohibit pharmacists from telling patients price options for their prescription medicine.

In addition to these recent efforts to encourage price information sharing with patients at the pharmacy counter, several states have engaged in efforts to provide patients with more information about the price and quality of different health care services. Some of these efforts include creating websites that give patients information about the prices of different procedures, requiring insurers to provide these tools to their members, and requiring providers to give patients information about the estimated prices for their treatment before they get the treatment. Unfortunately, to date, some of the preliminary evidence has shown that these some of these tools haven't been very effective in getting patients to price shop.

If we're going to successfully reduce health care costs, we need to empower patients and engage them in the decision-making process. There needs to be greater transparency, so patients can have more information about the prices for different medical products and services, and that information needs to be given to them in a meaningful way.

Given that some of the existing price transparency tools are still able to be improved, I'm eager to hear from the witnesses today about why there are some of

these barriers and then also what else we can be doing to empower patients with information. I also want to hear about the role that the federal government can play in promoting transparency and making patients more informed about the cost of their care.

Patients should be able to learn about how much something is going to cost them before they get it. This includes having information about different price options for prescription drugs at the pharmacy counter and information about different procedures and lab work, among other things.

I have a lot of questions for the witnesses today, but one of my main questions is what is the best way for patients to be getting health care price information and how can we help empower patients? I also am interested in hearing about any market behaviors that work against transparency and ultimately harm any attempts to bring down health care costs.

I'd like to thank our witnesses for being with us today, and look forward to their feedback on those questions and others. There is clearly a lot to be discussed in regards to today's topic, and I look forward to a robust dialogue.