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TO: Members, Senate Health Policy Committee
FROM: Dave Finkbeiner, Senior Vice President, Advocacy
DATE: March 15, 2016
SUBJECT: Senate Bill 147
MHA Position: Neutral

The Michigan Health & Hospital Association (MHA) applauds the efforts of Senator Joe Hune to expand access to pricing and payment information for health care consumers. However, the MHA is neutral on the approach of Senate Bill 147, which would require all hospitals to post their charge masters online or otherwise make the charge master publically available.

Hospital charge masters are spreadsheets of thousands of hospital services, medical procedures, equipment fees, drugs, supplies, and diagnostic evaluations such as imaging and blood tests. Each item in the charge master is assigned a unique identifier code and a set price that are used to generate patient bills. Every hospital system maintains its own charge master and its own set of unique identifiers. Note that the hospital charge master does not include payment for physician, other professionals and devices patients need. The charge master is not helpful in determining the ultimate out-of-pocket expense for an insured patient, because this is determined by the insurer or benefit plan.

The MHA recognizes hospitals must also take the lead in providing consumer-friendly information about the prices and payments of frequently used health care services. Charge masters contain a great deal of information, but it is not organized in a way to easily compare from one hospital to another. Information about frequently used inpatient and outpatient services is available at the Centers for Medicare and Medicaid Services *Hospital Compare* website, but that site is not well designed and is difficult to use. The MHA created *mihospitalinform*, a website designed to show the Medicare payment, the average payment, and the hospital charge for the 50 most-frequent discharges from an inpatient hospital stay. This information is now housed at www.mhakeystonecenter.com. The MHA is in the process of updating the online price and payment information. The MHA is also working on a larger project to match more hospital-specific quality data with the payment information.

Other MHA members, such as Spectrum Health, publish price and payment data online. The MHA and its members do not oppose the requirement to publically post charge master information. But regardless of legal requirements, the MHA and members will continue to create online resources to assist our patients with questions about both cost and quality of hospital-based services. This includes work at the national level to agree on comment terms, definitions and explanations to again provide the same data in a much more manageable format.

For more information, please contact me at dfinkbeiner@mha.org or 517-703-8604.