

United States Senate

WASHINGTON, DC 20510

June 19, 2013

The Honorable Gene Dodaro
Comptroller General of the United States
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Dodaro:

The Centers of Medicare and Medicaid Services (CMS)'s recent release of nationwide hospital inpatient and outpatient charge information shows that the amount charged for a procedure varies widely.¹ However, research indicates that these charges are not representative of the price that patients will actually pay for services, and thus may not be meaningful for most consumers. Price information that is reflective of consumers' actual out-of-pocket costs and quality information for these specific services may help consumers anticipate their health care costs, reduce the possibility of unexpected health care costs, and empower consumers to choose high value health care services. GAO's prior work on price transparency questioned the ability of patients to get complete price information that is reflective of their out-of-pocket costs from various sources, including calling providers directly and utilizing existing price transparency initiatives.² We are requesting that GAO continue to examine this important issue.

We are seeking information on the extent to which health care pricing data and corresponding quality information is available to consumers as they seek high value care. Specifically, in order to help us understand the extent of information available to patients and consumers about the costs they may encounter when obtaining health care services, as well as the quality of those services, we are asking GAO to provide us a study that examines the following:

1. To what extent can a Medicare patient or consumer in the private market obtain, in advance, information about an overall charge, the negotiated rate, the amount they may incur in out-of-pocket costs, and the quality for selected non-emergency outpatient procedures, such as those that may be done in a hospital outpatient department, physician's office, or a free-standing ambulatory center? Are there barriers to accessing this information? If so, what are the most significant barriers and what recommendations does GAO have for Congress to address these issues?

¹http://www.nytimes.com/2013/05/08/business/hospital-billing-varies-wildly-us-data-shows.html?pagewanted=all&_r=0

²GAO-11-791.

2. For these same procedures in these settings, what information does CMS have about the provider's average charge and average Medicare payments to the provider?
3. What are the various programs across the Department of Health and Human Services that provide information to patients and consumers about the cost and quality of services for specific providers? What information is provided? How much is known about the use (and useability) of such information? Where are the gaps in information?
4. How have private sector actors disseminated information on health care cost, out of pocket expenses, and provider quality to their beneficiaries?

If you have additional questions, please contact Jayme Fuglesten in Senator Klobuchar's office at 202-224-3244 or Tessie Abraham in Senator Toomey's office at 202-224-4254.

Sincerely,



AMY KLOBUCHAR
United States Senator



PAT TOOMEY
United States Senator



JEANNE SHAHEEN
United States Senator



TOM COBURN, M.D.
United States Senator