



Price Transparency Initiative

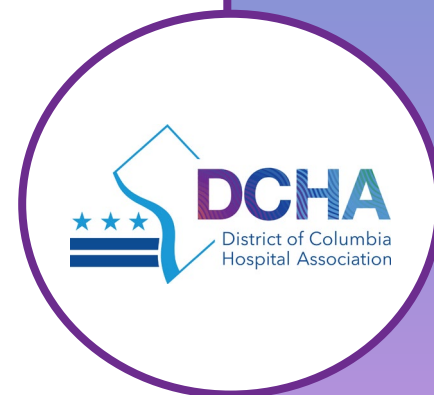
*Information Regarding IPPS
Transparency/Chargemaster Requirement*

December 2018

What are hospitals doing to be transparent?

Hospitals are committed to providing price information to consumers.

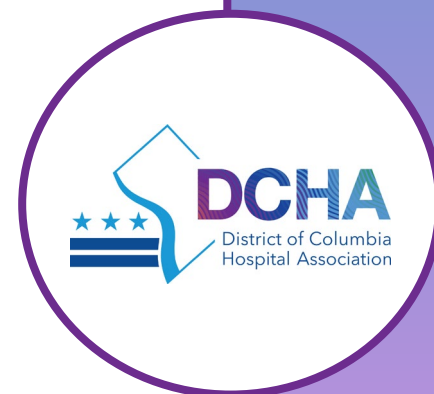
- Because of widespread variation in health insurance coverage, it is difficult for hospitals to provide specific cost information without access to very detailed information about a patient's health insurance coverage.
- Hospitals invest heavily to make cost information more accessible. For example, our hospital [*insert example of steps your hospital takes to make pricing information available to patients*].



What is a chargemaster?

A chargemaster is a comprehensive list of charges for each inpatient and outpatient service provided by a hospital—each test, exam, surgery, procedures, room charges, etc.

- Given the broad scope of services provided by hospitals 24/7, a chargemaster contains thousands of services and charges.
- Health insurance companies contract with hospitals to care for their customers. Hospitals are paid the insurance company's contract rate, which generally is significantly less than the amount listed on the chargemaster.
- An individual hospital's charges vary based on its unique range of services, adoption of new medical technologies, government underfunding, patient demographics and other local and regional factors.



How is information shared with patients and families?

The chargemaster is not a useful tool for consumers who are comparison shopping between hospitals.

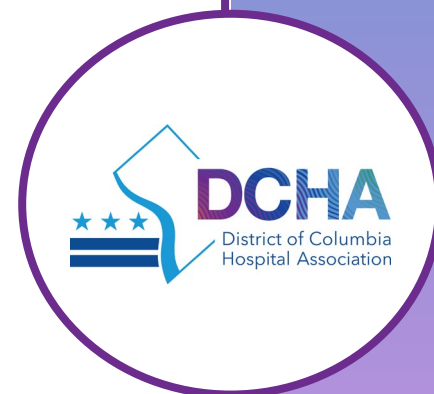
- Our hospital employs financial counselors and other resources to help our patients understand their financial obligations. **[Share details specific to your hospital].**
- We encourage patients to reach out and ask detailed financial questions – especially before scheduled services.
- Our hospital is ready to help patients and their families understand their financial obligations at any time during the treatment process.



Are charges different from payments?

Yes, charges are different from payments. Chargemaster information is not particularly helpful for patients to estimate what health care services are going to cost them out of pocket.

- Chargemaster amounts are almost never billed to a patient or received as payment by a hospital.
- The chargemaster amounts are billed to an insurance company, Medicare, or Medicaid, and those insurers then apply their contracted rates to the services that are billed. In situations where a patient does not have insurance, our hospital has financial assistance policies that apply discounts to the amounts charged. More information on our financial assistance policies can be found at [\[customize for your hospital\]](#).
- Each hospital has different proportions of Medicare, Medicaid, commercial insurance or uninsured patients, which adds to the complicated nature of hospital billing.
- Every insurer pays the hospital differently. Medicare and Medicaid generally pay less than the actual cost of caring for patients.
- There are also patients who, unfortunately, can't pay their hospital bills. As Ohio's health care safety net, hospitals treat uninsured and underinsured patients every day.



Why do costs of caring for patients vary?

Every patient's case is special and requires different levels of care. Hospitals are prepared with doctors, nurses and high-tech equipment around the clock for illness or injury—from a twisted ankle to a major accident to a natural disaster.

- The price a patient sees on the hospital bill reflects all the people who care for them and keep the hospital operating, not just the services provided, such as nurses and caregivers at the bedside; pharmacists, lab technicians, food service staff, environmental service professionals and security personnel who, among many others, keep the hospital running 24/7; and specialty care providers.
- Hospital costs have many factors, such as staffing, equipment, maintenance costs and the differences in care needed by each patient. Key components of hospital costs that vary by region, community and individual hospital include services provided for the patient's unique care needs; 24/7/365 readiness to meet the community's health care needs; charity care for people unable to pay; and Medicare and Medicaid underpayments— programs that pay the hospital less than the cost of caring for patients with health coverage through the programs.

