Press Release

What Impact Would Requiring Health Care Price Transparency Have?

ANDREW EVANS | JUNE 24, 2019

The Trump Administration will reportedly roll out an executive order today, requiring pricing transparency in health care. AAF’s Christopher Holt recently examined the potential effects of such a requirement in his Weekly Checkup column, and he raised serious questions about its ability either to lower prices or to improve competition.

Holt says,

Once the prices are all public, sooner or later the prices will equalize. It’s not guaranteed, however, or even likely, that the lowest price previously available will be the one that the market settles on. Shining light on the various discounts insurers negotiate is more likely to lead to fewer discounts than to more people getting them.

With perfect knowledge comes perfect pricing, but perfect pricing isn’t necessarily cheaper pricing.

To interview Christopher Holt about this or other health care policy issues, contact Andrew Evans at [email protected] or at 202.370.3446.

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