

Press Release



Understanding President Trump's Executive Order on Health Care Price Transparency

ANDREW EVANS | JUNE 27, 2019

This week President Trump issued an executive order pushing for greater price transparency from hospitals and insurers, but it is not clear what impact this order will have, writes AAF's Health Care Policy Analyst Jonathan Keisling. While the ultimate impact of the executive order depends on the details of the requirements, encouraging transparency in hospital prices might not encourage competition in reality, as consumers typically do not pay directly for their services.

An excerpt:

People who are insured through their employer are often limited in their ability to shop for health insurance. According to Kaiser's 2018 Employer Benefit Survey, 80 percent of those who receive their insurance through their employer have only one or two plan options. For those people, shopping for the better rate would mean shopping for a different job. On the other hand, where a certain employer plan has negotiated with a provider for the best rate for a given service in a given area, that rate would be unavailable to everyone else.

What complete price transparency would mean in practice is the revelation of all insurer-provider negotiations. **And once all the prices are public, sooner or later the prices will reach some sort of equilibrium. When this happens, it is unlikely that insurers and providers would settle on the lowest price.**

[Read the analysis.](#)