

New Texas Hospital Pricing Data Highlights Significant Opportunity To Reduce Health Care Expenses

Price transparency data reveals wide variance in Texas hospital prices

AUSTIN, TX, UNITED STATES, December 5, 2024 /EINPresswire.com/ -- Following an increase in hospital compliance with price transparency laws earlier this year, Texas 2036 updated its Texas hospital pricing data, highlighting a significant opportunity for employers



and other payers to reduce health care expenses.

The latest hospital pricing data reveals significant price variance for childbirth and other

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common medical services across the state, underscoring how employers and insurers can use improved price transparency to empower their employees and enrollees to seek lower-priced, high-quality care. By taking advantage of price variation, employers and insurers can lower overall health insurance premiums and the prices paid by their employees and enrollees.

The updated data, now available through Texas 2036's interactive dashboard (https://texas2036.shinyapps.io/hospital-pricing/), reveals that the price of childbirth—one of the most common

procedures in Texas—varies by thousands of dollars, even within the same region.

In Central Texas, which is identified as Public Health Region 7, the median price for childbirth via vaginal delivery is \$2,308. The price, though, can run as high as \$20,384, depending on the hospital and insurer-negotiated rates.

In PHR 6, the Houston-Gulf Coast region, the same childbirth services had a median price of

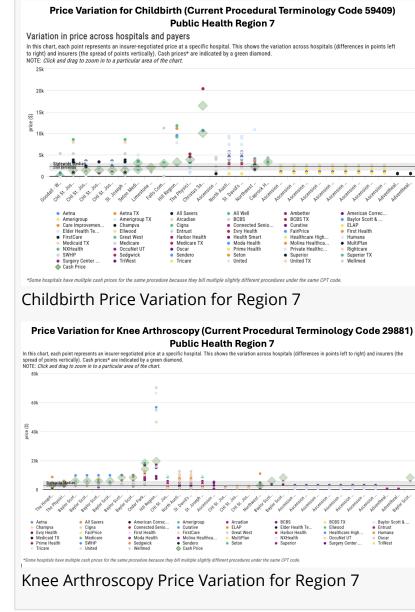
\$2,815 but ranged as high as \$15,900. The median price was \$1,833 in PHR 2, which covers the Rolling Plains, but ranged as high as \$8,000.

"This level of price variation represents an opportunity for Texas employers negotiating health insurance and Texas families managing their budgets," said <u>Charles Miller, Director of Health and</u> <u>Economic Mobility Policy</u> at Texas 2036. "By leveraging available data, Texas employers and other major payers can better develop health benefit plans that incentivize decisions that prioritize quality and affordability."

Similar price variability was identified in other high-frequency services like MRIs and joint arthroscopies.

In PHR 7, the median price for a knee arthroscopy was \$2,798, but in one instance could range as high as \$70,200, depending on the hospital and insurer-negotiated rates.

Legislative Action Driving Transparency



When Texas lawmakers passed legislation requiring hospitals to publish their prices in 2021, compliance was initially low. In April 2022, only 31% of Texas hospitals appeared to be posting compliant machine-readable files with real prices. Compliance nearly doubled by October 2022, however, and in August 2024, Texas 2036 found that 81% of Texas hospitals appeared to be compliant with the machine-readable file requirements.

"Texans take pride in their ability to create innovative solutions, and this new data means Texas is better positioned to have a more effective, efficient health care system for our growing population," said Miller.

Learn more about hospital price transparency and explore pricing data in Texas by visiting Texas 2036's website: <u>https://texas2036.org/health-price-transparency/</u>.

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About Texas 2036

Texas 2036 is a nonprofit public policy organization committed to building long-term, data-driven strategies to ensure Texas' prosperity up to its bicentennial and beyond. Our solutions are nonpartisan, grounded in thorough research and focus on critical issues that seek to improve lives and opportunities for all Texans.

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