April 30, 2014

Edith Ramirez. Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
https://ftcpublic.commentworks.com/ftc/healthcareworkshop/

Thank you for the opportunity to comment on healthcare competition and price transparency. We represent employers and entities working to measure and improve healthcare value, and feel strongly that lack of price transparency severely impedes competition.

Our nation is making great strides in using transparency to improve quality and value through public reporting of standardized performance measures on quality, consumer experience and resource use in health care. This is encouraging health plans and providers to compete and be rewarded based on value, or the quality of the health and well-being obtained for the total cost paid.

However, further progress in promoting competition based on value is limited because many contracts between health plans and providers have clauses explicitly prohibiting either party from disclosing payment rates. It is impossible to make truly informed assessments of health care value needed for meaningful competition without full disclosure of actual prices paid.

These anti-competitive gag clauses therefore unfairly prevent consumers, employers and independent initiatives that assess and inform the public about healthcare value from fully:

- Assessing whether payment rates reasonably reflect the cost of providing services,
- Gauging whether prices charged for specific services reflect their value in improving health, and
- Comparing prices to make informed choices before receiving specific healthcare services.

The urgent need to eliminate anti-competitive gag clauses and promote robust price competition is increasing rapidly as more people join high-deductible plans. Over 15 million people[i] are now in plans that require enrollees to pay thousands of dollars out of pocket before full coverage begins. Yet they are unable to obtain the basic information on cost and value that is critical for them to make informed decisions before obligating themselves to significant financial outlays.

We therefore urge you to aggressively enforce anti-trust laws by both prohibiting anti-competitive gag clauses that directly limit the ability to assess and inform the public about healthcare value and guarding against any price collusion that may result from increased transparency.

The Leapfrog Group
National Committee for Quality Assurance
Pacific Business Group on Health

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[i] http://www.ahip.org/HSA2013/