

Hospital Pricing Abuse:

Hospitals Hide the True Costs of Care

Large hospital systems' lack of transparency masks the true impact of their unchecked pricing power on high and rising healthcare costs. Opaque business practices allow hospitals to set prices unrelated to the actual costs of care while preventing employers and working families from holding them accountable and negotiating a fair deal.

As America's employers, we're sounding the alarm on hospital pricing abuse. Here's what you need to know:



The lack of hospital price transparency and accountability is a major concern for employers and purchasers. 9 in 10 employers (91%) question whether hospital industry prices are reasonable or can be justified, and nearly two-thirds (63%) say they are concerned about a lack of integrity and potential conflicts in hospital billing practices.¹



Hospital prices often bear no relation to the actual costs of care and can vary significantly. Employers pay anywhere between 150-700% of what Medicare pays for hospital services — with the national average at roughly 250%.²



The cost of hospital services can vary significantly across hospital systems — even within the same state. Multi-state data show that prices for identical services can differ by as much as 3100% between hospitals in a single state.³



Recent efforts to increase hospital price transparency have fallen short. In 2024, just 21% of hospitals were fully compliant with federal price transparency rules, which require them to publicly post prices for common goods and services.⁴

The Not-So-Hidden Cost: Spotlight on Medical Debt

Despite federal efforts to promote greater price transparency, opaque hospital pricing and billing practices often mean that patients do not know how much they will pay for care until after it has been received. As a result, many working families experience unexpected and inflated bills — sometimes months later — contributing to a growing crisis of medical debt across the country.

DID YOU KNOW?

- Even with health insurance, **1 in 12 American adults** owe some form of medical debt — amounting to \$220 billion collectively.⁵
- Medical bills are the number one cause of bankruptcy in the U.S., cited as a contributor in nearly **6 in 10 bankruptcies**.⁶

We urge policymakers to rein in these abuses and promote greater transparency, accountability, and oversight in the hospital industry. To learn more about the movement for fair hospital pricing practices, visit the Employers Against Hospital Pricing Abuse website at **hospitalpricingabuse.org**.

¹ <https://www.nationalalliancehealth.org/wp-content/uploads/Pulse-of-the-Purchaser-Fall-2024.pdf>

² https://www.nationalalliancehealth.org/wp-content/uploads/NationalAlliance_HPT_RPT_2023_M-FINAL.pdf

³ <https://www.patientrightsadvocate.org/pricevariationreport>

⁴ <https://www.patientrightsadvocate.org/seventh-semi-annual-hospital-price-transparency-report-november-2024>

⁵ <https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/>

⁶ <https://pmc.ncbi.nlm.nih.gov/articles/PMC6366487/>

**EMPLOYERS AGAINST
HOSPITAL PRICING ABUSE**

