

- [POLITICS](#)
- [HEALTH POLICY](#)

Hospitals Appeal Decision Upholding Disclosure of Rates Negotiated With Insurers

American Hospital Association says rule would force members to disclose proprietary information



The American Hospital Association argues that a rule requiring hospitals to make public their rates negotiated with insurance companies is based on an unlawful interpretation of federal law.

PHOTO: DAMIAN DOVARGANES/ASSOCIATED PRESS

By

Stephanie Armour

July 17, 2020 9:45 pm ET

- [SAVE](#)
- [PRINT](#)

- TEXT

The American Hospital Association on Friday appealed a decision upholding a Trump administration rule that requires hospitals disclose the rates they negotiate with insurance companies that aren't made public.

The trade group argued the rule goes against congressional intent and is based on an unlawful interpretation of federal law, according to its filing with the U.S. District Court Court of Appeals for the District of Columbia Circuit.

"HHS's interpretation would implausibly produce thousands of different 'standard charges' for each of the thousands of items and services that hospitals offer—or millions of data points," according to the appeal, referring to the Department of Health and Human Services.

Judge Carl Nichols with the U.S. District Court for the District of Columbia, who was appointed by President Trump, [upheld the rule](#) last month in a summary judgment, meaning [the case didn't go to trial](#). The AHA said at the time it would appeal.

The trade group argues that the rule compelling hospitals to publish their negotiated rates goes beyond the statutory intent of the Affordable Care Act and violates the First Amendment by forcing hospitals to disclose proprietary information.

It requires hospitals to publicize the rates they negotiate with individual insurers for all services, including drugs, supplies, facility fees and care by doctors who work for the facility. It is scheduled to take effect in January 2021, with hospitals facing fines of up to \$300 a day if they don't disclose negotiated rates.

The price-disclosure requirements would cover the more than 6,000 hospitals that accept Medicare, the federal program for people age 65 and older.

The initiative represents the Trump administration's effort to shift away from rolling back the Affordable Care Act and put its own stamp on health care instead. Central to that strategy is the notion that more price transparency will inject greater competition into the market and lower costs, according to the administration.

The administration estimated the implementation of the rule would cost hospitals more than \$23 million annually in 2016 dollars. Annual costs range from \$38.7 million to \$39.4 million in 2019 dollars, according to the rule.

Hospital groups say they would have to prepare much information to comply, which would be costly. Complying would require spreadsheets with hundreds of thousands of columns, the hospitals said in the lawsuit. They also said such files could crash most standard computer systems.

Write to Stephanie Armour at stephanie.armour@wsj.com