

# Price Transparency

## Notice to Patients:

The federal government requires each hospital to post on its website a list of its standard charges for each inpatient and outpatient service and item provided by the hospital. The list is available in a machine-readable format at this [\(link\)](#).

For information that would help you estimate the cost of your care or the amount you might owe for your care, please contact our patient financial counseling staff at 715-483-0474. You can find information about our Financial Assistance Policies [{here}](#). To help our patients better understand healthcare services, the cost of care, and comparison shop between hospitals, additional information is available at [www.wipricepoint.org](http://www.wipricepoint.org).

## What are hospitals doing to be transparent?

Hospitals are committed to providing price information to consumers.

- For years, hospitals have complied with Wisconsin laws requiring charge information to be made available to the public and voluntarily participated in PricePoint, an industry leading website for consumers on price transparency.
- Because of widespread variation in health insurance coverage, it is difficult for hospitals to provide specific out of pocket cost information to a patient without access to very detailed information about a patient's health insurance coverage.
- Hospitals invest heavily to make cost information more accessible. For example, St Croix Regional Medical Center has staff that can provide cost of service via face to face at the hospital or over the phone.

## What is a Chargemaster?

A chargemaster is a comprehensive list of charges for each inpatient and outpatient service provided by a hospital – each test, exam, surgery or other procedures, room charges, etc.

- Given the broad scope of services provided by hospitals 24/7, a chargemaster contains thousands of services and charges.
- Health insurance companies contract with hospitals to care for their customers. Hospitals are paid the insurance company's contract rate, which can be significantly less than the amount listed on the chargemaster.
- An individual hospital's charges vary based on its unique range of services, adoption of new medical technologies, government underfunding, patient demographics and other local and regional factors.

## How is Information Shared with Patients and Families?

The chargemaster is not a useful tool for consumers who are comparison shopping between hospitals.

- St Croix Regional Medical Center employs staff and other resources to help our patients understand their financial obligations. We have a team that provides the cost of service via face to face at the hospital or over the phone.
- We encourage patients to reach out and ask detailed financial questions – especially before scheduled services.
- St Croix Regional Medical Center is ready to help patients and their families understand their financial obligations at any time during the treatment process.

### **Are Charges Different From Payments?**

Yes, charges are different from payments. Chargemaster information is not particularly helpful for patients to estimate what health care services are going to cost them out of their own pocket.

- The chargemaster amounts are billed to an insurance company, Medicare, or Medicaid, and those insurers then apply their contracted rates to the services that are billed. In situations where a patient does not have insurance, our hospital has financial assistance policies that apply discounts to the amounts charged. More information on our financial assistance policies can be found on our **{Financial Assistance page}**.
- Each hospital has different proportions of Medicare, Medicaid, commercial insurance or uninsured patients, which adds to the complicated nature of hospital billing.
- Every insurer pays the hospital differently. Medicare and Medicaid generally pay less than the actual cost of caring for patients.
- There are also patients who, unfortunately, can't pay their hospital bills. As Wisconsin's health care safety net, hospitals treat uninsured and underinsured patients every day.

### **Why do Hospital Costs of Caring for Patients Vary?**

Every patient's case is special and requires different levels of care. Hospitals are prepared with doctors, nurses and high-tech equipment around the clock for illness or injury – from a twisted ankle to a major accident to a natural disaster.

- The price a patient sees on the hospital bill reflects many people who care for them and keep the hospital operating, not just the services provided, such as:
- Nurses and caregivers at the bedside
- Pharmacists, lab technicians, food service staff, environmental service professionals and security personnel who, among many others, keep the hospital running 24/7
- Specialty care providers
- Hospital costs have many factors, such as staffing, equipment, maintenance costs and the differences in care needed by each patient.

**Key components of hospital costs that vary by region, community and individual hospital include:**

- Services provided for the patient's unique care needs
- 24/7/365 readiness to meet the community's health care needs
- Charity care for people unable to pay
- Medicare and Medicaid underpayments – programs that pay the hospital less than the cost of caring for patients with health coverage through the programs

## **What is Pricepoint?**

The PricePoint [{website}](#) provides health care consumers with facility-specific information about healthcare services and charges. Consumers can query information for inpatient services, outpatient surgeries, emergency department and urgent care visits, observation services, and ancillary services, such as radiology and therapy services.

- PricePoint was designed for consumers. It includes with many helpful consumer resources.
- Charge information is updated quarterly using the most current four quarters of data available.
- Consumers can easily compare charge information for multiple hospitals.
- PricePoint also uses data provided by the Wisconsin Health Information Organization (WHIO) to provide health care consumers with information related to professional, rehabilitation, skilled nursing, ancillary, and pharmacy services that are not part of the hospital facility charges included with the WHAIC data.

## **How can PricePoint Help Patients Better Understand Their Total Cost of Care?**

Wisconsin hospitals have led the country in their willingness to share information on the cost, quality and safety of the care they provide in their communities – making Wisconsin a national model for health care transparency.

- PricePoint provides hospital-specific information about health care services and charges in Wisconsin – but it goes one step further by also providing information on the professional, rehabilitation, skilled nursing, ancillary and pharmacy services that may accompany the various procedures and treatments performed by the hospital. This gives you a better understanding about all the services that make up your care and how those services contribute to the charges you might see on your bill or in a report from your insurance company.
- Of course, every patient is different. The actual charges will vary depending on your unique health situation, the specific providers that treat you, your insurance and any financial assistance you might receive for these services.
- This means the information displayed in PricePoint should be used as a starting point for an informed discussion between you, your doctors and your insurance company.

## **Why Should Patients Use Pricepoint?**

- PricePoint is becoming an established model for displaying hospital charge information.
- This platform is being used in eleven states, in addition to Wisconsin.
- PricePoint has been highlighted in various national reports on price transparency and is included in the American Hospital Association toolkit for hospitals.

## **What About Quality of Care?**

While the ACA requirement focuses on hospital charges, quality data is also essential for consumers.

- Quality measures, in conjunction with price information, allows users to better define health care “value”.
- PricePoint’s sister website, CheckPoint [wicheckpoint.org](http://wicheckpoint.org), provides consumer-focused initiatives that include reported measures of health care in Wisconsin to aid the selection of quality health care and assessment of quality improvement activities within the hospital field.
- PricePoint and CheckPoint are linked together to allow the user to easily compare Wisconsin hospitals on both charges and quality measure scores.

## Chargemaster FAQs

### What is a Chargemaster?

A chargemaster is a comprehensive list of charges for each inpatient and outpatient service or item provided by a hospital – each test, exam, surgical procedure, room charge, etc. Given the many services provided by hospitals 24 hours a day, seven days a week, a chargemaster contains thousands of services and related charges. The chargemaster amounts are billed to an insurance company, Medicare, or Medicaid, and those insurers then apply their contracted rates to the services that are billed. In situations where a patient does not have insurance, a hospital has financial assistance policies that apply appropriate discounts to the amounts charged. More information on the hospital’s financial assistance policies can be found on our [Financial Assistance page](#).

Health insurance companies contract with hospitals to care for their customers. Hospitals are paid the insurance company’s contract rate, which can be significantly less than the amount listed on the chargemaster. The insurance company’s contract rate, not the chargemaster, can be the basis for determining the patient’s actual out of pocket costs.

As an example, a hospital may charge \$1,000 for a particular service, while the insurer’s contract rate may be \$700. If the patient’s insurance plan indicates the patient is responsible for 20 percent of the contract rate, the patient would owe \$140 ( $\$700 \times 20$  percent).

### Are Charges the Same for Every Patient?

The list of charges is the same for all patients. However, the total charges for an individual patient often vary from one patient to another for a number of reasons, including:

- How long it takes to perform the service or how long it takes the patient to recover in the hospital
- Whether the service or procedure the patient receives is more or less difficult than expected
- What kinds of medication the patient requires
- Whether the patient experiences complications and needs additional treatment
- Other health conditions the patient may have that may affect the patient’s care

## **Is the Charge the Same as What a Patient Pays?**

Chargemaster information is not particularly helpful for patients to estimate what health care services are going to cost them out of their own pocket. If a patient has health insurance, the amount the patient will be billed and expected to pay for the patient's services depends on the patient's specific health insurance coverage and the patient's insurance company's contract with the hospital. If the patient does not have health insurance, the patient may be eligible for reduced costs under the hospital's financial assistance policy, or the patient may be eligible for Medicaid coverage.

## **What is Not Included in the Chargemaster List?**

The hospital's chargemaster does not include charges for services provided by the doctor (or doctors) who treat the patient while the patient is at the hospital. The patient may receive separate bills from the hospital and the doctors involved in providing the care.

### **Here is a partial list of health care providers who may bill the patient separately:**

- The patient's personal doctor, if he/she sees the patient in the hospital
  - All SCRMC employed providers are reflected in the hospital bill
- The radiologist who reads x-rays or other imaging
- Other doctors who may be consulted by the patient's doctor during the patient's time in the hospital
- Laboratory testing

## **Where Can I Find More Information About Hospital Costs?**

If a patient would like more information about the chargemaster, what the patient's care will cost or the hospital's financial assistance policy, a patient can contact the hospital. A patient can also use the PricePoint website at [www.wipricepoint.org](http://www.wipricepoint.org). A patient can consult with his or her insurance provider to understand the patient's insurance coverage, which charges will be covered, how much will be billed, information on deductibles and expected out-of-pocket responsibility.