January 29, 2020

Administrator Seema Verma
Centers for Medicare and Medicaid Services
Department of Health and Human Services
P.O. Box 8010
Baltimore, MD 21244

Re: Transparency in Coverage Proposed Rule, CMS-9915-P

Dear Administrator Verma:

I Am Essential, a broad coalition of patient and community organizations dedicated to the advancement of quality, comprehensive, and affordable health care, appreciate the opportunity to submit comments on the proposed rule, *Transparency in Coverage*, published by the Departments of Health and Human Services and Labor (the Departments). These comments reflect the needs of patients to be equipped with comprehensive information in order to make informed decisions about their health.

We are pleased with the actions the Departments have taken through the proposed rule, prioritizing patients by promoting transparency in health insurance coverage and cost-sharing information. Providing a window into the incredibly complex and opaque structure of pricing and costs has the potential not only to benefit individual patients in their decision making, but to impact the overall healthcare system through accountability and competition among issuers, lowering costs for all.

**Transparency to Improve Patients’ Healthcare Decision Making**

When polled, individuals from across the spectrum consistently say their top healthcare concern is the cost of health insurance premiums, deductibles, and cost-sharing.\(^1\)\(^2\) Insurance benefit design has evolved in recent years, shifting more financial burden onto patients, forcing them to choose between their health and basic necessities. In particular, over a third of patients with

\(^1\) [https://www.washingtonpost.com/health/voters-have-big-health-care-worries-but-not-the-ones-democrats-are-talking-about/2019/06/21/5c4a353e-8d22-11e9-adf3-f70f78c156e8_story.html](https://www.washingtonpost.com/health/voters-have-big-health-care-worries-but-not-the-ones-democrats-are-talking-about/2019/06/21/5c4a353e-8d22-11e9-adf3-f70f78c156e8_story.html)

\(^2\) [https://phrma.org/-/media/Project/PhRMA/PhRMA-Org/PhRMA-Org/PDF/19132-PhRMA-National-Phone-Survey-Results.pdf](https://phrma.org/-/media/Project/PhRMA/PhRMA-Org/PhRMA-Org/PDF/19132-PhRMA-National-Phone-Survey-Results.pdf)
chronic conditions reported having difficulty paying a medical bill in a survey conducted by Kaiser Family Foundation. This survey provided an in-depth look at risk factors for, and the impact of, medical debt and found that high deductibles alone were a significant predictor for having issues paying a medical bill. However, deductibles are only one variable in the complicated equation of health insurance costs a patient must navigate, with many factors obscured. Without insight into what healthcare services cost or what liability they may hold, patients are unable to predict their finances or weigh treatment options that fit their health and economic needs.

Even though health insurance provides some financial protection, KFF’s survey results reveal that approximately one-fifth of those with insurance still struggle to pay down debt incurred through out-of-network charges, unexpected bills, and rising out-of-pocket costs and deductibles. The Departments’ proposal requiring issuers to disclose cost-sharing information for covered services or items from a provider, in-network negotiated rates, and historical out-of-network amounts will empower patients in their healthcare decision making, allowing them to be cost-conscious shoppers and to choose a plan that work best for them.

**User-friendly Tools to Keep Patients Informed**

Studies have shown some evidence supporting the fact that when services and provider costs are made available to patients upfront through price transparency tools, they select lower-cost healthcare services such as laboratory and imaging facilities. A new analysis by the Health Care Cost Institute concludes that of all patient out-of-pocket costs during 2017, 43 percent were for “shoppable” services. For individuals who are frequent health care consumers, like those with serious and chronic conditions, making information on their estimated cost-sharing liability, progress toward annual limits, and issuer negotiated rates easily accessible could really have a meaningful impact on their out-of-pocket costs.

I Am Essential supports the requirement within the proposal that issuers create a real-time, user-friendly, internet-based search tool, but allows interpretation to extend to innovative solutions such as mobile applications. Additionally, providing a paper-based option for those who may not have access to the internet is critical to equally empower all beneficiaries. The emphasis on plain language and intuitive search capabilities within the tools will help to achieve the Departments’ goals of putting patients first and increasing transparency in pricing.

**Negotiated Rate Files**

Requiring plans and issuers to share publicly the negotiated rates for in-network and estimated allowed amounts for out-of-network providers has the potential to increase competition among issuers. Patients may also utilize that information when weighing their options if their cost-sharing is tied to that rate, for example in the case of coinsurance. Additionally, making this information available is important when evaluating drug pricing as part of the healthcare expense debate. When coinsurance is applied as the patient cost-sharing responsibility for prescription drugs, that percentage is often calculated based on the manufacturer list price, not the price

---

4 [https://jamanetwork.com/journals/jama/article-abstract/1917438](https://jamanetwork.com/journals/jama/article-abstract/1917438)
negotiated by the insurer or pharmacy benefit manager (PBM), which could mean that patients pay more out-of-pocket for a medicine than the issuer paid for it. Disclosing negotiated, and non-negotiated, rates for items and services could be key in improving driving competition in the market and for patient decision making.

We appreciate your consideration of our insights as we work to improve the patient experience and health outcomes under the ACA, particularly for those with complex healthcare needs. Taking steps to unveil the impervious healthcare pricing system as proposed in this Transparency in Coverage Rule will equip consumers with information to better understand and estimate costs and take control of their health care.

Thank you very much for your consideration of our comments. Should you have any questions, please contact: Rachel Klein, Deputy Executive Director, The AIDS Institute, rklein@taimail.org; Laura Weidner, Vice President, Government Relations and Advocacy, Epilepsy Foundation, lweidner@efa.org; or Andrew Sperling, Director of Federal Legislative Advocacy, National Alliance on Mental Illness, asperling@nami.org.

cc: Randy Pate/CCIIO