

NEWS RELEASE

FOR IMMEDIATE RELEASE
July 6, 2006

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Consumers driving force behind price transparency

Policymakers should allow markets to respond to increased demand for information

(WICHITA) – Consumer-driven health care is changing the way providers and patients interact. As more people obtain Health Savings Accounts (HSAs) and similar consumer-directed insurance policies, there is a new focus on comparison shopping. The result is an upswing in the demand for accurate price information.

In response policymakers in Kansas recently considered legislation that would have required health care providers in the state to create a price list for common medical procedures. Though the legislation, House Bill 3011, was not introduced in time to pass during the 2006 session, such an effort does raise the question of whether policymakers should be engaged in mandating the availability of prices.

A new policy brief from The Flint Hills Center, "[Seeing Through the Cost of Health Care: Consumer-Driven Price Transparency in Kansas](#)," suggests that such information will become more readily available without government intervention.

"Clearly, pricing information is essential to the success of the consumer-driven health care movement," says co-author Mary Katherine Stout, "but it is equally imperative that in the zeal to push consumer-driven health care forward, federal and state governments not lose sight of the ultimate goal of empowering consumers."

In "Seeing Through the Cost of Health Care," Stout and Flint Hills Center senior policy fellow Matthew Hisrich trace the history of how past government intervention has actually distorted prices, making them more complex and less transparent than they otherwise would be. They then point out ways that the market is already beginning to answer the call of consumers for more pricing information, often in ways policymakers could not be expected to predict.

"Ultimately," states Stout, "the solution to bringing health care pricing into the sunshine will not require the strong regulatory arm of government to force transparency — the market itself will compel it."

The Consumer Driven Health Care Project of the Flint Hills Center addresses the issue of how to contain inflation in the health care market, and, at the same time, preserve an individual's ability to find affordable and responsive care.

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