



NATIONAL ASSOCIATION OF HEALTH UNDERWRITERS Position Statement on Medical Cost Transparency

The National Association of Health Underwriters (NAHU), a professional trade association representing more than 20,000 health insurance agents, brokers and employee benefit specialists nationally, believes that an increased level of transparency regarding the cost of medical care in the United States is essential to both the success of consumer-directed health insurance initiatives, and also to the containment of the overall cost of health care services.

Our membership services the health insurance policies of millions of Americans, and works on a daily basis to help both individuals and all sized employers purchase health insurance coverage. NAHU is extremely concerned about how rising health care costs are impacting health insurance coverage in this country. We believe that the advent of a more consumer-directed approach to health insurance coverage is essential to reducing overall health care costs, as it will help curb excessive utilization and claims, and also drive down costs by increasing competition amongst providers. However, to be fully successful, American consumers needs to be fully aware of the cost of the health care that they are purchasing.

Health care expenditures make up one-sixth of our national economy, yet they are the only purchases American consumers make on a regular basis without any regard to price. Since the vast majority of American health care expenses are paid by a third-party through the administration health insurance claims, most Americans have no idea what the health care that they receive costs, and they have been conditioned not to ever even ask. As a result, the ability for American consumers to compare costs and quality when making decisions as to which providers to use and which health care services to select, has been virtually eliminated. In addition, the disconnect between most American consumers regarding the cost of the care they receive has seriously increased overall health care utilization. This has caused health insurance costs overall to rise, while not noticeably impacting the quality of patient care.

NAHU strongly encourages both health insurance carriers and also hospitals, individual physicians and other health care providers to voluntarily disclose the prices they pay and charge for care to all consumers. NAHU always feels that voluntary action is better for the private market, and opposes any unnecessary regulation of the health care marketplace. However, since we believe increased medical transparency for health insurance consumers is so critical to reducing costs and promoting consumer-directed care, we would support legislative and regulatory efforts at the state and federal levels to require increased transparency should voluntary efforts fail, provided that such governmental efforts are not overly burdensome.