President Trump Signs Executive Order on Improving Health Care Price and Quality Transparency

June 2019

President Trump signed an Executive Order on June 24, 2019, instructing various departments of the federal government to issue regulations over the next few months mandating transparency in the prices of health care treatments and services, and in data on the quality of care provided by hospitals and doctors. Additionally, the Executive Order requires agencies to issue guidance that would provide more flexibility with respect to certain health savings account (HSA) and flexible savings account (FSA) requirements.

The Executive Order addresses five areas of federal health care policy:

Informing Patients About Actual Prices. The Executive Order instructs federal agencies as follows:

- By August 23, 2019, the Department of Health and Human Services (HHS) shall issue **regulations requiring hospitals to publicly post standard charge information,** including charges and information based on negotiated rates and for common or shoppable items and services, in an easy-to-understand, consumer-friendly, and machine-readable format using consensus-based data standards that will facilitate patients' decision making and allow patients to compare prices across hospitals. The regulations should require the posting and regular updating of standard charge information for services, supplies, or fees billed by the hospital or its employees.
- By September 22, 2019, the Secretaries of HHS, Treasury, and Labor shall solicit comments on a proposal to **require health care providers, health insurance issuers, and self-insured group health plans to provide or facilitate access to information about expected out-of-pocket costs** for items or services to patients before they receive care.
- By December 21, 2019, HHS shall issue a **report on impediments to health care price and quality transparency** for patients and provide recommendations for eliminating these impediments in a way that promotes competition. The report should also describe why, under current conditions, lower-cost providers generally avoid health care advertising.

Establishing a Health Quality Roadmap. Additionally, by December 21, 2019, the Secretaries of HHS, Defense, and Veterans Affairs (VA) are directed to develop a Health Quality Roadmap with the goal of aligning and improving reporting on data and quality measures across Medicare, Medicaid, the Children's Health Insurance Program, the Affordable Care Act Exchanges, the Military Health System, and the VA health system.

Increasing Access to Data to Make Health Care Information More Transparent and Useful to Patients. The Executive Order also directs HHS to increase access to de-identified claims data from taxpayer-funded health care programs and group health plans for researchers, innovators, providers, and entrepreneurs by December 21, 2019.

Empowering Patients by Enhancing Control Over Their Health Care Resources. The Internal Revenue Service and Treasury are further directed to address HSA and FSA requirements by addressing the following:

- By October 22, 2019, issue guidance to **allow participants in high-deductible health plans with the ability to pay for care related to chronic condition management before the deductible, without losing HSA qualifying status.**

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- By December 21, 2019, propose regulations to **treat expenses related to certain types of arrangements, potentially including direct primary care arrangements and health care sharing ministries, as eligible "medical expenses"** under Internal Revenue Code Section 213(d).
- By December 21, 2019, issue guidance to **increase the amount of funds that can carry over without penalty at the end of the year for FSAs.**

Surprise Medical Billing. By December 21, 2019, HHS must submit a report to the President regarding surprise medical billing.

Resources

The Executive Order is available here.

The news release is available here.

A fact sheet is available here.

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