

U.S. Hospitals Routinely Inflate Prices of Certain Services

September 13, 2016

A new report focused on medical billing in the United States suggests that hospitals across the country are guilty of boosting prices for medical services in ways that aren't always transparent to patients. The findings, recently published in the journal *Health Affairs*, found that many facilities charge more than 20 times the actual cost of certain services to help boost their revenues, [Fox News reports](#).

For the study, researchers at Johns Hopkins University in Baltimore reviewed billing and Medicaid data from nearly 2,500 U.S. hospitals, comparing each facility's overall charge-to-cost ratio. This price weighs what each hospital charges for certain procedures against what the facility actually spends. Overall, researchers found that in 2013, the last year for which such data is available, U.S. hospitals charged an average of \$4.32 for each dollar they spent on a specific service.

In addition, scientists noted that at most hospitals they examined, charge-to-cost ratios varied widely between medical departments. Researchers also said the pattern of charging suggests that hospitals regularly look for hidden ways to boost their profit for performing various procedures, especially high-tech tests, such as CT and MRI scans, electrocardiology tests (which measure electrical patterns of the heart) and electroencephalography scans (which study the brain's impulse patterns).

"There is no regulation that prohibits hospitals from increasing revenues," said Ge Bai, PhD, an assistant professor at the Johns Hopkins Carey Business School and the study's lead author. "The problem is when they raise rates on people that have no ability to say no because they have an emergency and cannot compare prices."

The findings recommended that U.S. health officials consider placing a cap on hospital markups and that facilities keep these cost increases consistent from department to department. Researchers also suggested that hospitals be more transparent by providing patients with price comparisons from other area hospitals or clear descriptions on hospital bills of how much Medicare would pay for each procedure.

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