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PULSE

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Trump Issues New Executive Order to Strengthen Health Care Price Transparency

President Trump has issued a new executive order aimed at reinforcing and expanding health care price transparency requirements, according to a recent report from TechTarget.

The order focuses on stricter enforcement and clearer pricing disclosure from hospitals and health insurance providers.

The initiative builds on Trump's first-term policies that required hospitals to display pricing for 300 common medical services and maintain comprehensive machine-readables files of negotiated rates. Health plans were similarly required to provide online pricing tools and disclose negotiated rates with providers, including prescription drug costs. Despite these earlier requirements, compliance has been inconsistent, and the Biden administration had loosened some regulations by allowing hospitals to post estimates rather than exact prices. Trump's new order specifically addresses these issues by mandating that hospitals must post actual prices, not estimates, within 90 days, according to the article. The executive order directs the Secretaries of Treasury, Labor, and Health and Human Services to develop standardized pricing information requirements across health care providers and establish stronger enforcement policies. This comes as the Centers for Medicare & Medicaid Services (CMS) has issued only 18 penalties for non-compliance, with seven currently under review.

Health care transparency advocates have praised the move.

In an emailed statement, Cynthia Fisher, founder and chairman of PatientRightsAdvocate.org, said that "[r]eal prices will forever transform the American healthcare system. Price transparency unleashes competition and shifts the power to the true purchasers of care — patients, employers, and taxpayers — allowing them to lower their costs and be protected from overcharges. Why would anyone pay $3,000 for an MRI when they could get the same quality for $300? Likewise, no patient would agree to pay a $12,000 colonoscopy bill when the fair market price is around $1,000."

The order reflects strong public sentiment, as polling indicates that 90% of Americans support health care price transparency. The primary goal is to eliminate historically opaque pricing practices and enable consumers to make informed decisions about their health care spending, according to the article.

"The Federal Government will

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continue to promote universal access to clear and accurate healthcare prices and will take all necessary steps to improve existing price transparency requirements; increase enforcement of price transparency requirements; and identify opportunities to further empower patients with meaningful price information, potentially including through the expansion of existing price transparency requirements," Trump said in the executive order.

Read the executive order here.

CFPB Update: Resolution Pending to Overturn Medical Debt Rule

Industry and congressional efforts on the bureau's medical debt rule continue while a decision on the bureau's next director comes to the Senate.

Consumer Financial Protection Bureau activity continues in Washington decisions are pending on the bureau's makeup under a new director. Here are a few highlights.

Resolution to Overturn Medical Debt Rule

U.S. Rep. Ralph Norman, R-S.C., and U.S. Sen. Mike Rounds, R-S.D., have issued a Congressional Review Act (CRA) resolution to overturn the bureau's final rule on medical debt credit reporting. Under the CRA, Congress can pass a resolution, with presidential approval, to overturn certain federal agency actions. Members of the House and Senate recently introduced a CRA to challenge the CFPB's final rule capping bank overdraft fees.

While the House Ways and Means Committee held a markup of CRA resolutions Feb. 26, the medical debt and overdraft fee rules were not reviewed. These could be considered at the committee level or by the full House or Senate in coming weeks.

Industry Support Needed

ACA International is supporting the medical debt rule resolution and offers resources for members to contact their lawmakers.

A letter template is available for members to email U.S. Sen. Tim Scott, chair of the Senate Banking Committee, and U.S. Rep. French Hill, House Financial Services Committee chair, to encourage cosponsorship of the resolution and for March legislative markups. This effort is happening quickly, and we need your immediate attention and action. Learn more about the effort here. To obtain committee member contact details, please contact Katy Zillmer, ACA's director of public affairs, at zillmer@acainternational.org. It will make a difference, and it's easy!

Legal Matters

In case you missed it, the U.S. District Court for the Southern District of Texas has granted a motion to stay proceedings (PDF) in *ACA International and Specialized Collection Systems Inc. v. Consumer Financial Protection Bureau and Russell Vought* (in his official capacity as acting director of the CFPB).

The stay delays proceedings by 90 days and requires the CFPB to submit a report on March 14, 2025, and every 30 days thereafter, stating their position on the enforceability of the rule, "Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information."

ACA, Specialized Collection Systems Inc. and attorneys with Brownstein Hyatt Farber Schreck LLP continue to focus on efforts to extend the implementation date of the CFPB's rule to Aug. 15, 2025.

Additionally, in the case from the Consumer Data Industry Association (CDIA) and Cornerstone Credit Union League in the U.S. District Court for the Eastern District of Texas, the CFPB and plaintiffs agreed to delay the rule's effective date to June 15, 2025.

ACA's advocacy team expects to have several additional updates in the coming weeks, but reminds members that there are several ways this rule may be stymied.

Read more on the cases here.

NEWS & NOTES

Private Equity Exits Lead to Higher Physician Turnover, Study Reveals

A new study in JAMA Health Forum has found that physicians in private equity-owned practices are 16.5 percentage points less likely to remain at their practice two years after the private equity firm exits, compared to physicians in similar practices without private equity involvement. This represents a significant 27.5% reduction in retention rates, with many physicians opting to join larger practices of 120 or more physicians after leaving.

The findings raise concerns about health care quality and accessibility, as high physician turnover can disrupt patient care and impact clinical outcomes. Private equity's growing presence in health care, with over 1,000 U.S. practices acquired between 2010 and 2020, has already been linked to increased prices and surprise medical bills. Researchers suggest the reduced retention rates may be due to lower expected returns from equity stakes and fewer opportunities for practice improvement after private equity exits, as firms often implement major efficiency changes before selling.

Healthcare Systems Pivot to Consumer-Centric Growth Strategies

Health care executives are increasingly focusing on consumer-driven growth strategies, with 65% prioritizing revenue expansion through improved patient engagement and experience, according to the Deloitte Center for Health Solutions. This marks a significant shift away from traditional merger and acquisition approaches, as health system leaders recognize the vital role consumers play in organic growth. Over half of health system executives acknowledge the need to enhance consumer engagement, trust, and overall patient experience to attract and retain patients.

However, there's a notable gap between intention and implementation. Kaufman Hall's "State of the Healthcare Consumer Report" reveals that most health systems still operate on a provider-centric model rather than a consumer-focused one. Health care organizations continue to rely on traditional metrics like visit volume and inpatient market share, while underutilizing consumer-focused measurements such as new patient acquisition and retention rates. This disconnect suggests that while health care leaders recognize the importance of consumerism, many organizations have yet to fully embrace and implement consumer-centric operational models, according to the survey.

llinois Medical Debt Relief Program Wipes Out $345M for Nearly 270,000 Residents

The new program aims to erase $1 billion in medical debt for residents statewide.

The state of Illinois has made significant strides in alleviating medical debt burden through its pioneering Medical Debt Relief Pilot Program which has successfully eliminated over $345 million in medical debt for approximately 270,000 residents since its inception last year, according to a recent article from WTTW.

In its latest round of relief, the program cleared more than $220 million in medical debt for about 170,000 individuals. The initiative, which aims to erase $1 billion in medical debt statewide, operates by partnering with the nonprofit organization Undue Medical Debt to purchase medical debt portfolios at reduced rates from health systems and collection agencies.

Governor J.B. Pritzker emphasized the program's fundamental mission, stating that no one should face financial devastation due to illness. The state has invested roughly $2 million to achieve the $345 million in debt relief.

Eligible residents must either have a household income at or below 400% of the federal poverty level or medical debt equaling 5% or more of their household income. The program operates automatically without requiring applications, with recipients expected to receive notification letters within two weeks of debt clearance.

According to program officials, this initiative addresses a critical need, as even insured individuals can accumulate substantial medical debt. The

program particularly benefits vulnerable communities who often delay necessary medical care due to financial concerns.

Read more here.

DATAWATCH

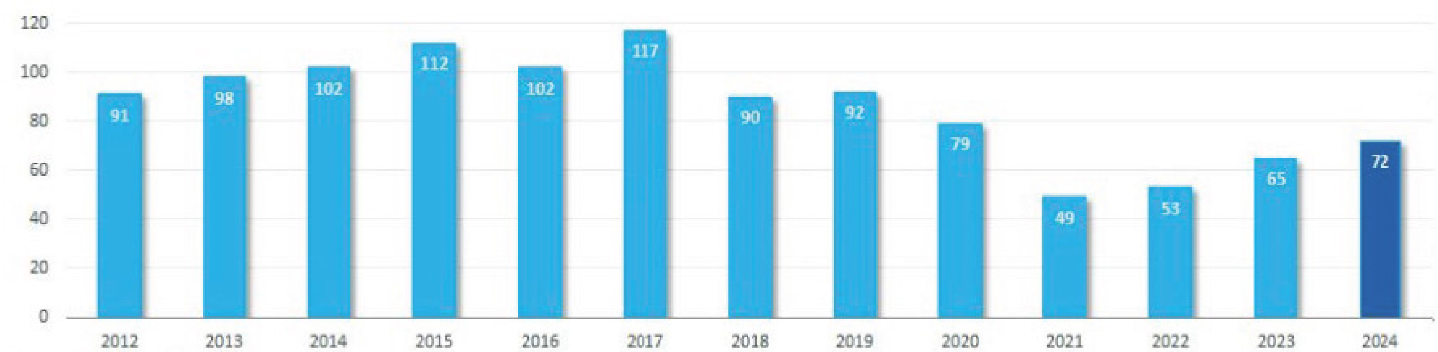
2024 Health Care M&A Activity Shows Growing Financial Strain on Providers

In 2024, health care merger and acquisition (M&A) trends revealed a concerning pattern of financial instability among providers, with Kaufman Hall reporting

that 72 hospitals and health systems participated in M&A deals. Notably, 45 of these organizations were involved in divestitures, setting a new record at nearly 63% of all transactions. The year also witnessed an unprecedented 30.6% of deals involving financially distressed organizations, surpassing the previous record of 27.7%.

The financial scope of these distressed transactions reached new heights, with the average seller size climbing to $401 million in annual revenue—almost double the previous record of $219 million set in 2022. This shift resulted in a total transacted revenue of $8.8 billion for financially troubled organizations. Industry experts, including Kaufman Hall's Anu Singh, noted a significant change in merger patterns, with smaller organizations increasingly joining significantly larger ones, suggesting that even major healthcare providers aren't immune to operational and financial challenges.

Total Number of Announced Transactions, 2013 - 2024



***Source**: Kaufman Hall & Associates, LLC,* https://tinyurl.com/525p8th3

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