

# Modern Healthcare

April 27, 2019 01:00 AM

## Letters: When discussing prices, let's talk about the true prices

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### **When discussing prices, let's talk about the true prices**

The April 15 cover story on hospital pricing ([“Prices? Ask them,”](#)) focuses on “hospital prices” but neglects the prices paid by 60% of the hospital patients, i.e.,

Medicare, Medicaid and “self-pay.” The true price a business receives for a service is based on the blended rate for all customers receiving that service. For example, even though the average commercial price for an MRI is \$1,119, a hospital’s average price for all patients may be closer to \$600 when taking into account Medicare, Medicaid, insured-bad debt and the uninsured.

But this article only talks about commercial prices and does not mention the below-cost prices from government payers. The overly simplistic analysis of hospital pricing replete with “bumper sticker” phrases, referencing a CMS study of questionable validity from 2011, marginalizes the complexities that health systems currently face.

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**Source URL:** <https://www.modernhealthcare.com/opinion-editorial/letters-when-discussing-prices-lets-talk-about-true-prices>