

# *The Wisconsin Tea Party*

## *Promoting Market Driven Solutions in Health Care*

September 17, 2007

Members of the Wisconsin Legislature,

There are few instances in our lives where we are asked to make major purchasing decisions without first having a pretty good idea of what it costs. Whether we go to the dentist or oral surgeon, plumber or auto mechanic, we get a good faith estimate of the costs before deciding what and where to buy. So, why is health care the exception?

Granted, we are not likely to worry about the price while experiencing a heart attack. However, if our doctor is recommending a knee replacement or gall bladder surgery, we are much more likely to have the time and interest to ask about the costs, the schedule and the quality of care. With useful cost information, we are empowered to make a more intelligent decision about our health care purchases. Unfortunately, the current system makes it hard for consumers to obtain this information. We only find out the costs when the bill arrives, and that's not right.

A recent Minnesota law directly addresses this problem. Wisconsin legislators should follow the lead of their counterparts in Minnesota by passing a law that ensures consumers can obtain "good faith cost estimates" from doctors and hospitals for various medical procedures.

Similar legislative action on price disclosure is common in situations in which consumers are at an unreasonable or unnecessary disadvantage in regard to information. Action already has been taken in industries dealing with securities, consumer mortgages and auto purchases. Wisconsin Tea Party members ask legislators to take the same type of decisive action in health care.

National health care leaders have praised the Minnesota law as one of the most aggressive and comprehensive market-based reforms in the country. The Minnesota law became effective August 1, 2007. It updated an existing Minnesota law on price disclosure, which took effect two years ago.

The Minnesota Medical Group Management Association was a leading force behind the new Minnesota transparency law. The physician clinics represented by the MMGA chose to be a part of the solution, and Wisconsin could benefit from this kind of leadership.

Most contracts between health care providers and insurance companies include confidentiality clauses which forbid disclosure of the prices paid. When talking with doctors or hospital leaders they each say they'd disclose costs if it weren't for insurance companies demands that they keep prices a secret. However, when talking with insurance executives, they say they'd be happy to disclose prices, but that it is the doctors and hospitals that refuse. This doesn't make sense.

Some health care providers also argue they can't give a price because there may be complications or they find some other problem. Consumers generally are pretty smart. We understand there can be complications and that the price would then be higher. Health care providers and insurance companies should have some pretty sophisticated accountants that can estimate the cost difference between a normal newborn delivery and a newborn delivery with complications.

Since health care providers and insurance companies are stuck in their Alfonse and Gaston\* routine, the Legislature has a role to step in to clear the air by passing a law allowing both sides to do what they say they want to do.

While the stalemate on the state budget continues, Wisconsin Tea Party members want to try and move some reasonable and rationale solutions forward. Tea Party members urge state legislators to introduce a bill on price disclosure in the coming weeks.

Membership in the Wisconsin Tea Party is open to individuals and businesses with a belief in the marketplace's inherent ability to improve quality and lower costs through competition based on value — better health care outcomes per dollar spent. The group has launched a website ([www.wisconsinteparty.org](http://www.wisconsinteparty.org)) to help educate consumers and businesses about innovative solutions to the problems of rising health care and health insurance costs. The group also plans meetings to help identify innovative market-based solutions and to be available to present information about health care to business and civic gatherings.

Please contact me at (414) 227-1202 to discuss interest in helping bring Minnesota price disclosure laws to Wisconsin.

Sincerely,

Jeffrey J. Beiriger  
Executive Director

Attachment: Minnesota Health Care Price Disclosure Law

\* For those unfamiliar with the reference, Alphonse and Gaston were comic strip characters created by the American cartoonist Frederick Burr Opper. The popular strip ran for more than twenty years and featured two inordinately polite Frenchmen. Their signature phrase was, "After you, my dear Gaston..." and "After you, my dear Alphonse..."