

Federal Court Rejects American Hospital Association Challenge to Trump Price Transparency Rule

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Michael Cassidy; mcassidy@tuckerlaw.com; 412 594-5515

On June 23, 2020, the United States District Court for the District of Columbia denied the American Hospital Association's (AHA) summary judgment motion claiming the Trump Administration had exceeded its authority and violated the First Amendment when it issued a new rule requiring greater price transparency.

The Opinion is attached in this link. It begins by stating "the impenetrability of hospital bills is legendary", "arcane", and "mystifying".

By way of background, the Affordable Care Act of 2010 required hospitals to post a list of their standard charges. For the next 8 years, hospitals were able to satisfy the technical requirements of this Act by posting chargemasters. However, the standard charges and the actual prices are, as everybody knows, essentially unrelated to each other.

On June 24, 2019, President Trump issued an Executive Order, identified in the Opinion, directing HHS to promulgate regulations requiring hospitals to post standard charge information and actual price information. The final rule, also explained in the Opinion, is scheduled to go into effect January 1, 2021. HHA and other plaintiffs sought summary judgment banning the rule as having exceeded HHS' statutory authority.

HHS filed a motion for summary judgment, seeking the opposite. The Court concluded HHS had fulfilled its duty to examine the evidence before issuing a final rule, had acted appropriately and with its statutory authority, and rejected HHA's motion and granted HHS' motion.

For additional information contact Mike Cassidy.