

Promoting Hospital Accountability to Lower Prices for Working Families



When hospital systems' pricing power goes unchecked, working families, small businesses, and local communities in California feel the impact through higher premiums, lower wages, and cuts to essential public services.

As hospital prices continue to rise, public and private employers, along with unions, are under growing pressure to contain those costs. Here are five things to know:



Marking Up Prices: California hospitals charge employers and employees **more than triple** what they charge Medicare for the same services.¹

THE BIG PICTURE: These inflated prices are fueling unsustainable cost growth for employers – leaving fewer dollars available to support wages, business growth, and affordable, high-quality health benefits for working families.



Reducing Competition: According to current FTC/DOJ merger guidelines, the California health system market is **highly concentrated in 88% (22 out of 25) of metro areas** – especially in smaller cities, like Napa, CA.^{2,3}

UNDERSTAND THE IMPACT: When large hospital systems absorb their competitors, they gain unchecked pricing power, leaving employers and working families with fewer choices and higher costs.



Hiding True Costs: Just **one in five** California hospitals were compliant with federal price transparency rules.⁴

WHAT THIS MEANS: A lack of transparency prevents employers from negotiating a fair deal and holding hospital systems accountable.



Unpredictable Price-tags: Prices for common hospital services, such as a C-Section, MRI, or spinal fusion, can vary by **more than 10x** between hospitals in California.⁵

IMPOSSIBLE TO PREDICT: Significant variation in hospital prices can raise costs for employers, while working families can be blindsided by surprise costs – compounding the medical debt crisis Californians face.⁶



Pocketing Discounts: The 340B drug pricing program is costing California employers and working families **\$586 million in lost rebates annually**.⁷

PUBLIC-SECTOR IMPACT: IQVIA estimates that the cost of 340B to state and local government health plans in California is \$89 million annually.⁶

Hospital affordability is a clear and growing threat. Employers and working families are feeling the squeeze, and without intervention, this issue will only worsen.

California employers call on lawmakers to support greater transparency, accountability, and oversight to hospital pricing. Now is the time for policymakers to rein in costs, ensure working families benefit from discounts and tax breaks, eliminate facility fees, advance site-neutral payment reform, and curb anticompetition conduct. Learn more at www.HospitalAccountabilityNow.org.

¹ RAND 2020-2022. Accessed via: <https://dashboard.sagetransparency.org/>

² <https://www.chcf.org/wp-content/uploads/2019/09/SkysLimitPricesMarketConsolidation.pdf>

³ <https://www.kff.org/health-costs/one-or-two-health-systems-controlled-the-entire-market-for-inpatient-hospital-care-in-nearly-half-of-metropolitan-areas/>

⁴ <https://www.patientsrightsadvocate.org/seventh-semi-annual-hospital-price-transparency-report-november-2024>

⁵ <https://www.patientsrightsadvocate.org/interim-semi-annual-hospital-price-transparency-report>

⁶ <https://cpehn.org/assets/uploads/2026/02/Paying-the-Price-Californians-Struggle.pdf>

⁷ <https://www.iqvia.com/-/media/iqvia/pdfs/us/fact-sheet/340b-fact-sheets/california--cost-of-340b-fact-sheet.pdf>