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Stephanie A Hart, Ayesha Khan, Garrett S Booth, Joesph R Wiencek.
Price Variability of Eight Common Laboratory Tests across All Licensed Tennessee Hospitals.

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Guest: Dr. Joe Wiencek from Vanderbilt School of Medicine in Nashville, Tennessee.

Randye Kaye:

Hello and welcome to this edition of *JALM* Talk from *The Journal of Applied Laboratory Medicine*, a publication of the Association for Diagnostics & Laboratory Medicine. I'm your host, Randye Kaye.

The United States spends more on healthcare than any other high-income country, primarily due to higher healthcare prices rather than the quantity of services used. In 2021, the United States government implemented the Hospital Price Transparency Final Rule, which aimed to empower patients to make informed decisions, reduce costs, and decrease price variability. However, studies show that hospital compliance with the rule has remained low. Prices for laboratory testing and other healthcare services vary between cash rates and insurance negotiated rates and prices across different insurance plans further differ.

The May 2025 issue of *JALM* features a Special Report on a study that assessed price variability and factors associated with prices for eight common laboratory tests across all licensed hospitals in Tennessee. The study demonstrated continued price variability two and a half years later, after the Hospital Price Transparency Final Rule was implemented.

Today, we're joined by the article's corresponding author, Dr. Joe Wiencek. Dr. Wiencek is an associate professor in Pathology, Microbiology, and Immunology at Vanderbilt School of Medicine in Nashville, Tennessee. Additionally, he serves as Vanderbilt's Service Line Medical Director of the Core Laboratory and Co-Director of the ComACC-accredited clinical chemistry fellowship program.

Welcome Dr. Wiencek. First, could you provide a brief overview of the Hospital Price Transparency Rule?

Joe Wiencek:

Absolutely, and thank you for having me today to discuss a key issue over the past few presidential administrations. The Hospital Price Transparency Act is part of the broader push for healthcare price transparency in the United States and this is a result of patients continuing to struggle to estimate costs for common procedures.

The Affordable Care Act, introduced by President Obama's administration, initially encouraged better costs of reporting but didn't mandate price disclosures. However, the ACA did generate considerable discussions about patient driven healthcare. Then in 2019, the Centers for Medicaid and Medicare Services under President Trump's first administration finalized the Price Transparency Final Rule, sometimes referred to as the Final Rule, which went into effect on January 1, 2021.

Now, to be compliant with the Final Rule, hospitals are required to do these following three things: One, they need to publish standard charges for all items and services online in a machine-readable format. Provide a customer friendly list of prices for at least 300 shoppable services, so this could be like MRIs, hip replacements, and even certain laboratory tests. The third thing is that they must include payer negotiated rates, not just the actual prices.

After passing the Final Rule, there were some legal challenges in 2020, and that was led by the American Hospital Association. However, and interestingly, the courts upheld the Rule, citing massive public interest. And so, since the Final Rule's implementation, reports have shown that compliance has been minimal, even abysmal. However, CMS increased penalties that included up to \$5,500 a day for large hospitals.

But even in light of these major finds, a recent *JALM* article in 2023 still identified access issues for patients across various U.S. hospitals. So most recently, President Biden's administration made proposals to standardize data formats as well as other suggestions. And then lastly, President Trump recently signed an executive order to make the Final Rule a major Medicare agenda item in the future.

Randye Kaye: All right. Thank you. So that brings us up to date. What led you and your co-authors to investigate price transparency in your state?

Joe Wiencek: My general interest in price transparency stemmed from a 2019 *New York Times* article and this was titled, "They Want It to Be Secret: How a Common Blood Test Can Cost \$11 or Almost \$1,000."

Randye Kaye: Wow.

Joe Wiencek: This article demonstrated the wide range of prices for laboratory tests and that negotiated prices are often kept secret from the public, making it near impossible for the patient to know actually what the lab test costs until they receive the bill.

At this time, I was the co-director of my hospital's laboratory utilization committee, and I had spent a good portion of my early academic career in diagnostic stewardship. And I still do. Then right around this, the time the Final Rule was implemented, I was recruited back at Vanderbilt where I spent my time as a clinical chemistry fellow.

Vanderbilt has a strong reputation in laboratory stewardship through its robust diagnostic management teams, as well as our laboratory formulary where evidence-based medicine is a key focus on reducing costs of the hospital, but more importantly, to the patient. So basically it went hand in hand.

Randye Kaye: All right. Thank you. You know that...it sounds kind of complicated, so does anybody actually know what laboratory tests cost?

Joe Wiencek: So, one of the most fundamental questions posed to clinical laboratories regarding a particular lab test is, how much does it cost? With recent changes to the federal price transparency laws, this convoluted question has never had a better chance of being systematically assessed.

Unfortunately, the results from our study run contrary to the intended outcomes of changes in healthcare. Specifically, price transparency across Tennessee shows marked variability for all published price categories for the most commonly ordered lab tests. Moreover, the price variability of the same lab tests show upwards of a hundred-fold differences and these log scale price differences in lab testing create immense barriers of the delivery of equitable healthcare for all patients.

Randye Kaye: All right. What would you say makes your study unique?

Joe Wiencek: Well, in my opinion, this is the first study to examine price variability nearly four years post mandate, focusing on Tennessee's intractable social determinants of health across a large and diverse state such as Tennessee, our nation's 15th most populous state. The study also reveals persistent price variability for laboratory testing services, influenced by county income, hospital region, and corporate ownership.

All mandated published pricing showed significant variation, with cash prices more variable, impacting uninsured patients more. Higher prices were noted in higher income counties, corporate hospitals, and middle Tennessee, potentially limiting healthcare access for vulnerable groups. This clearly demonstrates ongoing challenges within my state, despite federal price transparency mandates.

Randye Kaye: All right, thank you. So one final question, why do you think that price variability continues to be a problem?

Joe Wiencek:

This is such an important question to address. The peer-reviewed literature around the subject and several of our studies demonstrate that price variability in healthcare persists due to various issues including insurance negotiations and inconsistent pricing within hospitals. In addition, limited time, and I would think the most important is accountability, meaning, lack of actual finds and follow-up from the government, allows hospital's leniency from prioritizing transparent pricing structures.

Challenges with assessing machine-readable files containing price data further complicate efforts to standardize cost. Also, ineffective customer price displays and estimators fail to provide clear actual information for patients. Additional barriers we identified included excessive click counts, which is basically how many clicks it takes to get to the actual data, among many other items, basically leaves patients uninformed and burdened by unpredictable costs.

However, the evolving legal landscape around transparent lab test pricing offers clinical laboratorians a unique chance to enhance healthcare affordability and investigate the external factors that drive the fundamental question: How much does this test actually cost?

Randye Kaye:

Helping to define what healthcare actually costs is a huge issue and I thank you so much for joining us today Dr. Wiencek.

Joe Wiencek:

Thank you for having me.

Randye Kaye:

That was Dr. Joe Wiencek from the Vanderbilt School of Medicine describing the *JALM* article "Price Variability of Eight Common Laboratory Tests across All Licensed Tennessee Hospitals." Thanks for tuning in to this episode of *JALM* Talk. See you next time and don't forget to submit something for us to talk about.