# Talking Points for Press Inquiries on Hospital Charges

Q: What is a hospital chargemaster?

A: The chargemaster is the comprehensive standard price list for the full range of services a hospital provides (medical procedures, lab tests, supplies, medications, etc.). There are thousands of items listed. The charges listed are generally not the amount a patient will pay.

Q: How does the hospital set its charges?

A: Hospitals set their standard charges for services and items based on internal metrics, including the cost to provide patient care, which varies between hospitals. Many factors influence variation in hospital costs, including a hospital’s location, the skill mix of its workforce, its teaching status, and its mission-related activities.

Hospital charges do not reflect the far lower payments hospitals actually receive for the services they provide. Both Medicare and Medicaid pay hospitals set rates that are well below charges and often less than the cost the hospital incurs to deliver care, and insurance companies pay hospitals set, negotiated rates that are well below charges. For low-income patients without health insurance, New York State has a hospital financial assistance law that guarantees they will pay significantly less than the charge amount.

Q: Why do charges vary by hospital?

A: Charges will vary based on the location of the hospital, the skill mix of its workforce, the availability of specialized services such as trauma and transplant services, whether it is a teaching hospital, its level of underpayment from the Medicare and Medicaid programs, and services provided to the uninsured. Our hospital provides [develop talking points about the level of underpayment from Medicare and Medicaid; level of charity care provided to uninsured patients].

Q: What are charges used for?

A: Charges are used to document the services a hospital provides to patients (e.g., medical procedures, lab tests, supplies, medications). These charges are used to generate a claim to be sent to an insurance company and to patients for their out-of-pocket expenses.

Generally, hospital charges do not reflect the far lower payments hospitals actually receive for the services they provide. For patients with health insurance, coinsurance and deductibles are based on specific insurance benefits and the far lower rates hospitals have negotiated with the insurance company, not the hospital’s charges.

Q: How does the hospital work with patients to understand their out-of-pocket expenses?

A: Because chargemaster information is intended far more for internal hospital purposes than for helping patients figure out how much they’ll be billed, our hospital provides patient financial counselors to answer patients’ questions about their bills. Our patient financial counselors can be contacted at [xxx-xxx-xxxx]. In addition, our robust financial assistance policy provides discounted care to patients who are unable to afford their hospital bill. [Add any other information that may be useful.]