

ALERT

Trump Prioritizes Health Care Pricing Transparency in New Executive Order

February 28, 2025

On Tuesday, February 25, 2025, President Trump issued an Executive Order (EO), "Making America Healthy Again By Empowering Patients with Clear, Accurate, and Actionable Healthcare Pricing Information." The EO aims to improve transparency in health care pricing, making it easier for patients to access information about health care costs and make informed decisions. In one of the first official acts of his second Administration, Trump emphasized the importance of patient empowerment and accessibility to understandable pricing information for medical services and procedures before receiving care.

Background of Transparency Aims

The EO is a continuation of President Trump's health care policy and transparency requirements from his first Administration. The health care industry has been, and continues to be, a key focus for the Trump Administration, with previous actions aimed at reducing health care costs and increasing competition.

In 2017, President Trump issued an Executive Order aimed at promoting health care choice and competition, with a focus on improving access to information, including health care prices and outcomes. This led to a report by the U.S. Department of Health and Human Services (HHS) recommending transparency initiatives to aid patients in making well-informed health care choices. Building on these efforts, a 2019 Executive Order directed federal agencies to require hospitals and health plans to publicly post certain pricing information, focusing on "shopable items and services." This led to the implementation of two key transparency rules by the Centers for Medicare & Medicaid Services (CMS): 1) the Hospital Price

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Health Care
Health Care Transactions
Medicare Drug Pricing

Transparency Rule (which requires hospitals to publish pricing information), and 2) the Health Plan Transparency in Coverage Requirements (which require commercial health plans to publish their negotiated rates and net prices for prescription drugs) (together referred to as “Current Transparency Rules”).

Despite these efforts, enforcement of the Current Transparency Rules, and specifically those relating to prescription drug pricing, has faced delays and an overall lack of compliance. This week’s EO responds to these concerns and represents the Trump Administration’s effort to establish a clear policy for agencies prioritizing the enforcement of the Current Transparency Rules.

Looking Ahead: Forthcoming Actions/Regulations

The EO directs HHS, along with the U.S. Department of the Treasury and the U.S. Department of Labor, to take various steps within 90 days. These steps include requiring the disclosure of actual prices (not estimates) of items and services, issuing updated guidance (or proposing regulatory action) to standardize and make pricing information easily comparable across hospitals and health plans, and issuing guidance or proposing regulatory action updating enforcement policies to ensure compliance with transparent reporting of complete and accurate data. While the EO calls for these specific action items by the agencies, it does not call for specific changes to the Current Transparency Rules. As a result, it is unclear whether the Current Transparency Rules will be revised, and therefore looking to these current regulations is the first recommended action when evaluating the forthcoming impact of this EO.

Impact to the Health Care Industry

While the extent of the impact of the EO is difficult to surmise at this stage, particularly given the previous lack of enforcement of the health care price transparency requirements by federal agencies, the EO signals that health care price transparency is a priority for the Trump Administration. As a result, we can anticipate that it will direct agencies to take a more aggressive approach to enforcing price transparency requirements for both hospital systems and health plans with renewed vigor. In the short term, this EO may lead to new regulatory guidelines for health care providers and health plans, help to standardize pricing, and make costs more predictable for consumers. Health plans and hospital systems should review their policies and practices to ensure compliance with the Current Transparency Rules and prepare to enhance them further to meet any future requirements.

To stay informed on all of the Executive Orders and announcements from the Trump Administration, please visit our dedicated resource center below.

Wiley’s Trump Administration Resource Center

Wiley’s PBM Contracting team of experienced attorneys and advisors is available to assist with any questions.

Contact Us

For more information, please contact one of the attorneys listed below.

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