



03/6/25

Employee Benefits Compliance

Trump's Latest Executive Order to Improve Healthcare Price Transparency and Enforcement

Overview

On February 25, 2025, President Trump issued an Executive Order titled, "Making America Healthy Again by Empowering Patients with Clear, Accurate, and Actionable Healthcare Pricing Information," which seeks to enhance and expand upon existing price transparency requirements and improve enforcement of these policies to ensure compliance. Specifically, the Executive Order builds on Executive Order 13877 from President Trump's first administration and signals the administration's continued interest in promoting access to accurate healthcare price information to ensure individuals can make well-informed healthcare decisions.

As background, pursuant to Executive Order 13877, the Departments issued final rules on transparency in healthcare coverage, requiring insurers and group health plans to disclose estimated cost-sharing information and publicly post machine readable files of in-network rates and out-of-network allowed amounts (see <u>Alert 2020-20</u> and <u>Transparency Deadlines and Compliance Checklist</u>). In the February 2025 Executive Order, President Trump commented that compliance with these transparency requirements has not adequately been enforced and individuals remain unable to obtain accurate pricing information. As a result, President Trump has directed the Departments to continue their price transparency efforts by providing universal access to meaningful price information to support a more competitive and affordable healthcare system.

What the 2025 Executive Order Means for Group Health Plans

While Executive Orders generally indicate the Administration's policy priorities, they are not necessarily, in and of themselves, binding guidance that require immediate action. Rather, they direct agencies to issue guidance that aligns with the Executive Order. Here, to reinforce the price transparency rules established during his first term, President Trump has directed the Departments to, within 90 days of the most recent Executive Order, "take all necessary and appropriate action" to:

- (a) require the disclosure of the actual prices of items and services, not estimates;
- (b) issue updated guidance or proposed regulatory action ensuring pricing information is standardized and easily comparable across hospitals and health plans; and
- (c) issue guidance or proposed regulatory action updated enforcement policies designed to ensure compliance with the transparent reporting of complete, accurate, and meaningful data.

Exactly how the Departments will implement these directives and their impact on group health plans remains uncertain, but it is highly likely this Executive Order will result in additional rulemaking aimed at lowering health care costs through greater price transparency and potential requirements for group health plans.

Conclusion and Action Items

Considering President Trump's directives in this new Executive Order, employer plan sponsors should be prepared for additional regulations and increased enforcement attention and activity regarding healthcare price transparency requirements. As with most transparency requirements, group health plans should be prepared to work with their plan service providers on any newly issued regulations. Notably, other Executive Orders issued by President Trump during his second administration have

signaled a deregulatory approach. The fact that this Executive Order is likely to result in additional rulemaking emphasizes the importance of healthcare price transparency to the Trump administration and indicates that price transparency will continue to be a priority for the foreseeable future.

Disclaimer: This material is provided for informational purposes only based on our understanding of applicable guidance in effect at the time and without any express or implied warranty as to its accuracy or any responsibility to provide updates based on subsequent developments. This material should not be construed as legal or tax advice or as establishing a privileged attorney-client relationship. Clients should consult with and rely on their own independent legal, tax, and other advisors regarding their particular situations before taking action. These materials and related content are also proprietary and cannot be further used, disclosed or disseminated without express permission.

