
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Talbot

HB No. 251

Abstract: Provides for transparency in prices of hospital procedures, treatments, and other health care services through required reporting of information to the public on costs of the most frequently delivered types of such health care services.

General Provisions

Proposed law provides that the intent of proposed law is to improve transparency in prices of health care services through requiring provision of information to the public on costs of the most frequently reported diagnosis-related groups for hospital inpatient care, and for the most common surgical procedures and imaging procedures provided in hospital outpatient settings and ambulatory surgical centers.

Proposed law retains and relocates present law relative to itemized statements of billed services by hospitals.

Proposed law establishes that it shall be unlawful for any hospital to charge or accept payment for any health care procedure or component of any health care procedure that it did not perform or supply.

Provisions Relative to Price Transparency

Proposed law requires the Dept. of Health and Hospitals (DHH) to make available to the public on its website the most current price information it receives from hospitals and ambulatory surgical centers pursuant to the requirements of proposed law. Further requires that DHH provide this information in a manner that is easily understood and meets all of the following minimum requirements:

- (1) Price information for each hospital is listed separately and hospitals are listed in groups by major category as established by the department in rule.
- (2) Information for each hospital outpatient department and each ambulatory surgical facility is listed separately.

Proposed law stipulates all of the following relative to data disclosed to DHH pursuant to proposed law:

- (1) All data disclosed to DHH by a hospital or ambulatory surgical center pursuant to the requirements of proposed law shall be and shall remain the sole property of the facility that submitted the data.
- (2) Any data or product derived from data disclosed pursuant to proposed law, including a consolidation or analysis of the data, shall be and shall remain property of the state.
- (3) DHH shall not allow proprietary information it receives pursuant to proposed law to be used by a person or entity for any commercial purpose.

Beginning with the quarter ending Dec. 31, 2014, and quarterly thereafter, proposed law requires each hospital to provide, utilizing electronic health records software, the following information to DHH concerning the 100 most frequently reported inpatient admissions:

- (1) The amount that will be charged to a patient for each diagnosis-related group ("DRG") if all charges are paid in full without a public or private third party paying for any portion of the charges.
- (2) The average negotiated settlement on the amount that will be charged to a patient for each DRG if all charges are paid in full without a public or private third party paying for any portion of the charges.
- (3) The total amount of Medicaid reimbursements for each DRG, including claims and pro rata supplemental payments.
- (4) The total amount of Medicare reimbursements for each DRG.
- (5) For the five largest health insurers providing payment to the hospital on behalf of insured patients, the range of the total amount of payments made for each DRG, with the names of the health insurers and any other information that would identify those insurers redacted.

Beginning with the quarter ending March 31, 2015, and quarterly thereafter, proposed law requires each hospital and ambulatory surgical center to provide to DHH, utilizing electronic health records software, information on the following:

- (1) Total costs for the 20 most common surgical procedures performed in hospital outpatient settings or in ambulatory surgical centers, along with the related Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) codes.
- (2) Total costs for the 20 most common imaging procedures performed in hospital outpatient settings or in ambulatory surgical centers, along with the related CPT and HCPCS codes.

Proposed law requires DHH to adopt rules in accordance with the APA on or before Dec. 1, 2014, as are necessary to ensure that proposed law is properly implemented. Provides that such

rules shall include, at minimum:

- (1) A listing of the 100 most frequently reported DRGs for inpatients on which hospitals are required to provide data.
- (2) Specific major categories by which DHH groups hospitals for the purpose of disclosing hospital price information to the public on its website.
- (3) The list of the 20 most common surgical procedures performed in a hospital outpatient setting and those performed in an ambulatory surgical center, along with the related CPT and HCPCS codes.
- (4) The list of the 20 most common imaging procedures performed in a hospital outpatient setting and those performed in an ambulatory surgical center, along with the related CPT and HCPCS codes.

Proposed law requires that upon request of a patient for a particular DRG, imaging procedure, or surgery procedure to which the reporting requirements of proposed law applies, a hospital or ambulatory surgical center shall furnish the cost information required by proposed law to the patient in writing within three business days.

Provisions Relative to Charity Care Policies and Costs

Proposed law stipulates that provisions of proposed law relative to disclosure of charity care policy and costs apply exclusively to hospitals and ambulatory surgical centers that file Internal Revenue Service (IRS) Form 990, "Return of Organization Exempt From Income Tax", and that are required to complete and attach Schedule H to that form.

Proposed law provides that in provisions of proposed law relative to disclosure of charity care policy and costs, the following definitions apply:

- (1) "Financial assistance costs" means the costs reported by a health care provider on Schedule H of IRS Form 990 related to the provider's financial assistance at cost, the amounts related to the provider's bad debt expense, and the estimated amount of the provider's bad debt expense attributable to patients eligible under the organization's financial assistance policy.
- (2) "Financial assistance policy" means a policy that meets the requirements of Section 501(r) of the Internal Revenue Code.

Proposed law requires each hospital and ambulatory surgical center subject to the provisions of proposed law relative to disclosure of charity care policy and costs to:

- (1) Make publicly available its financial assistance policy and its annual financial assistance costs as reported on Schedule H of its most recently filed IRS Form 990.

- (2) At least annually, submit to DHH the information provided for in proposed law in the time, manner, and format required by the department.
- (3) Post the information provided for in proposed law in a conspicuous location in its place of business.

Proposed law requires DHH to publish on its website the information it receives from hospitals and ambulatory surgical centers pursuant to proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 40:1300.112(intro. para.); Adds R.S. 40:2031-2039; Repeals R.S. 40:2010)