

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 251** HLS 14RS 557

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 19, 2014 10:45 AM	Author: TALBOT
Dept./Agy.: DHH	Analyst: Shawn Hotstream
Subject: Hospital Transparency	

HEALTH SERVICES OR INCREASE GF EX See Note Page 1 of 2
Provides for transparency in prices of hospital procedures, treatments, and other health care services

Proposed law requires the Department of Health and Hospitals to make available to the public on its Internet website the most current price information it receives from hospitals and ambulatory surgical centers. Price information for each hospital is listed separately and hospitals are listed in groups by major category, and information for each hospital department and each ambulatory surgical facility is listed separately.
Proposed law defines ownership of data sent and received, and proprietary information the state receives will not be used by a person or entity for commercial purposes.
Proposed law provides for specific information reporting requirements and deadlines of hospitals and ambulatory surgical centers to be sent to DHH.

See page 2

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Creating a database to capture annual healthcare provider cost, quality, and other performance data elements for consumer use is anticipated to increase State General Fund expenditures by an indeterminable amount in FY 15 and future fiscal years. Information provided by the Department of Health and Hospitals reflects projected IT related costs of approximately \$1.7 M in FY 15, \$712,000 in FY 16, and 2.5% growth in future fiscal years associated with annual IT system maintenance costs. Initial and ongoing costs anticipated include developing Information Technology infrastructure (website, portal, and database development), software purchase and maintenance, provider and department training related to data reporting elements, hardware/hosting costs. This estimate might be overstated as a portion of the projected cost assumes IT infrastructure build-out for reporting data not required in the bill. In addition, to the extent the statewide IT consolidation initiative for FY 15 may result in certain purchasing, hosting, and infrastructure development efficiencies, IT related costs could be less than projected. The LFO has requested additional information from the Division of Administration, Office of Information Technology in order to quantify these estimates. To the extent this measure is implemented in FY 15, it is assumed the Office of Information Technology would bill DHH directly for these services.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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|--|----------------------------|-------|--|
| Senate | <u>Dual Referral Rules</u> | House | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:

Explanation: page 2

Proposed law requires the following data reported: Beginning with the quarter ending December 31, 2014, and quarterly thereafter, each hospital shall provide, utilizing electronic health records software, the following information relative to the 100 most frequently reported admissions by DRG for inpatients (a. the amount charged to a patient for each DRG if all charges are paid in full without a public or private third party paying for any charges, b) the average negotiated settlement on the amount that will be charged to a patient for each DRG, c) the total amount of Medicaid reimbursement for each DRG, including claims and pro rata supplemental payments, d) the total amount of Medicare reimbursement for each DRG, and e) the range of the total amount of payments made for each DRG for the 5 largest health insurers proving payment to the hospital on behalf of the patient.).

2) Beginning with the quarter ending March 31, 2015, and quarterly thereafter, each hospital and ambulatory surgical center shall provide to DHH, utilizing electronic health records software, information on the total cost for the twenty most common surgical procedures and the twenty most common imaging procedures, by volume, performed in hospital outpatient settings or in ambulatory surgical centers, along with CPT and HCPCS codes.

Proposed law provides that upon a request of a patient for a particular DRG, imaging procedure, or surgery procedure as required in this measure, a hospital or surgical center shall furnish the cost information to the patient either electronically or by mail within 3 business days after receiving the request.

Proposed law requires each hospital and surgical center (those facilities that file Internal Revenue Service (IRS) Form 990, "Return of Organization Exempt from Income Tax) to 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. At least annually, certain providers are required to submit this to the department, and post the information in a conspicuous location in its place of business. DHH is required to post on its website this information it receives from the hospitals and ambulatory surgical centers.

Senate Dual Referral Rules House 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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