

Regular Session, 2014

HOUSE BILL NO. 251

BY REPRESENTATIVES TALBOT AND SIMON

HEALTH SERVICES: Requires provision of cost estimates to patients for procedures at hospitals and ambulatory surgical centers

1 AN ACT

2 To enact Part I-A of Chapter 11 of Title 40 of the Louisiana Revised Statutes of 1950, to be  
3 comprised of R.S. 40:2031 through 2039, and to repeal R.S. 40:2010, relative to  
4 consumer information concerning prices of certain health care services; to provide  
5 for legislative intent; to prohibit hospitals from assessing certain charges; to provide  
6 for requirements of hospitals and ambulatory surgical centers relative to disclosure  
7 of certain cost information to consumers; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Part I-A of Chapter 11 of Title 40 of the Louisiana Revised Statutes of  
10 1950, comprised of R.S. 40:2031 through 2039, is hereby enacted to read as follows:

11 PART I-A. TRANSPARENCY IN HOSPITAL  
12 AND SURGICAL CENTER PRICES AND POLICIES  
13 SUBPART A. BILLED SERVICES BY HOSPITALS

14 ~~§2010.~~ §2031. Itemized statement of billed services by hospitals

15 Not later than ten business days after the date of discharge, each hospital in  
16 the state which is licensed by the Department of Health and Hospitals shall have  
17 available an itemized statement of billed services for individuals who have received  
18 the services from the hospital. The availability of the statement shall be made known  
19 to each individual who receives service from the hospital before the individual is  
20 discharged from the hospital, and a duplicate copy of the billed services statement

1 shall be presented to each patient within the specified ~~ten-day~~ ten-day period. No  
2 insurance company, employee benefit trust, self-insurance plan, or other entity which  
3 is obligated to reimburse the individual or to pay for him or on his behalf the charges  
4 for the services rendered by the hospital shall pay those benefits to the individual  
5 when the itemized statement submitted to such entity clearly indicates that the  
6 individual's rights to those benefits have been assigned to the hospital. When any  
7 insurance company, employee benefit trust, self-insurance plan, or other entity has  
8 notice of such assignment prior to such payment, any payment to the insured shall  
9 not release said entity from liability to the hospital to which the benefits have been  
10 assigned, nor shall such payment be a defense to any action by the hospital against  
11 that entity to collect the assigned benefits. However, an interim statement shall be  
12 provided when requested by the patient or his authorized agent.

#### 13 SUBPART B. PRICE TRANSPARENCY

##### 14 §2032. Legislative intent

15 It is the intent of the legislature to improve transparency in prices of health  
16 care services through requiring provision of information to the public on the costs  
17 of the most frequently reported diagnosis-related groups for hospital inpatient care,  
18 and for the most common surgical procedures and imaging procedures provided in  
19 hospital outpatient settings and ambulatory surgical centers.

##### 20 §2033. Definitions

21 As used in this Subpart, the following terms have the meaning ascribed to  
22 them in this Section:

23 (1) "Ambulatory surgical center" means a facility licensed as an ambulatory  
24 surgical center pursuant to the provisions of Part IV of this Chapter (R.S. 40:2131  
25 et seq.).

26 (2) "Hospital" means a facility licensed as a hospital pursuant to the  
27 provisions of Part II of this Chapter (R.S. 40:2100 et seq.).

1        §2034. Provision of cost information to patients

2                A. Upon the request of a patient, a hospital or ambulatory surgical center  
3        shall provide an estimate for the amount to be charged to the patient for a particular  
4        service.

5                B. The hospital or ambulatory surgical center shall provide the estimate  
6        within seven days of the request by the patient. If the patient requests the estimate  
7        verbally, the hospital or ambulatory surgical center may provide the estimate  
8        verbally. If the patient requests the estimate in writing, the hospital or ambulatory  
9        surgical center may furnish the estimate to the patient either electronically or by  
10       mail.

11               C. The estimate provided shall be considered a non-binding estimate based  
12       on the information provided by the patient or the patient's treating physician to the  
13       hospital or ambulatory surgical center at the time of the request and not a guarantee  
14       of the final charge for services delivered.

15       §§2035 through 2039. [Reserved.]

16       Section 2. R.S. 40:2010 is hereby repealed in its entirety.

17       Section 3. This Act shall become effective upon signature by the governor or, if not  
18 signed by the governor, upon expiration of the time for bills to become law without signature  
19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
20 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
21 effective on the day following such approval.

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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)]

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Talbot HB No. 251

**Abstract:** Requires provision of cost estimates to patients for procedures at hospitals and ambulatory surgical centers.

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

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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 adds the following requirements and conditions relative to disclosure of prices of healthcare services to patients:

- (1) Upon the request of a patient, hospitals and ambulatory surgical centers shall provide an estimate for the amount to be charged for a particular service.
- (2) Hospitals and ambulatory surgical centers shall provide the estimate of the amount to be charged within seven days of the request by the patient verbally, if requested verbally; and in writing, either electronically or by mail, if requested in writing.
- (3) The estimate of the amount to be charged shall be considered a non-binding estimate based on the information provided by the patient or the patient's treating physician at the time of the request, and not a guarantee of the final charge for services delivered.

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

(Adds R.S. 40:2031-2039; Repeals R.S. 40:2010)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Health and Welfare to the original bill.

1. Deleted provision stipulating 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.
2. Deleted the following defined terms and their corresponding definitions: "CPT", "Department", "DRG", "HCPCS", "Health insurer", "Public or private third party".
3. Deleted requirement that DHH make available to the public on its website certain price information it would have received from hospitals and ambulatory surgical centers pursuant to deleted provisions of proposed law.
4. Deleted requirement that hospitals provide the following information for publication by DHH concerning the 100 most frequently reported admissions by diagnosis-related group (DRG) for inpatients:
  - (a) 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.
  - (b) The average negotiated settlement on the amount that will be charged to a patient as provided for in (a).
  - (c) The total amount of Medicaid reimbursements for each DRG, including claims and pro rata supplemental payments.
  - (d) The total amount of Medicare reimbursements for each DRG.

- (e) 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 information identifying insurers redacted.
- 5. Deleted requirement that hospitals and ambulatory surgical centers provide information for publication by DHH on the total costs for the 20 most common surgical procedures and the 20 most common imaging procedures, by volume, 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.
- 6. Deleted requirement that upon request of a patient for a particular DRG, imaging procedure, or surgery procedure, a hospital or ambulatory surgical center shall furnish cost information on the procedure to the patient in writing within three days. Added in lieu thereof the following requirements and conditions:
  - (a) Upon the request of a patient, hospitals and ambulatory surgical centers shall provide an estimate for the amount to be charged for a particular service.
  - (b) Hospitals and ambulatory surgical centers shall provide the estimate in (a) within seven days of the request by the patient verbally, if requested verbally; and in writing, either electronically or by mail, if requested in writing.
  - (c) The estimate in (a) shall be considered a non-binding estimate based on the information provided by the patient or the patient's treating physician at the time of the request, and not a guarantee of the final charge for services delivered.
- 7. Deleted requirement that certain tax-exempt hospitals and ambulatory surgical centers disclose their charity care policies and costs to patients, and to provide these policies and costs for publication by DHH.
- 8. Deleted provisions for rulemaking by DHH that were rendered inoperable by other deletions made by Committee Amendments.
- 9. Made technical changes.