

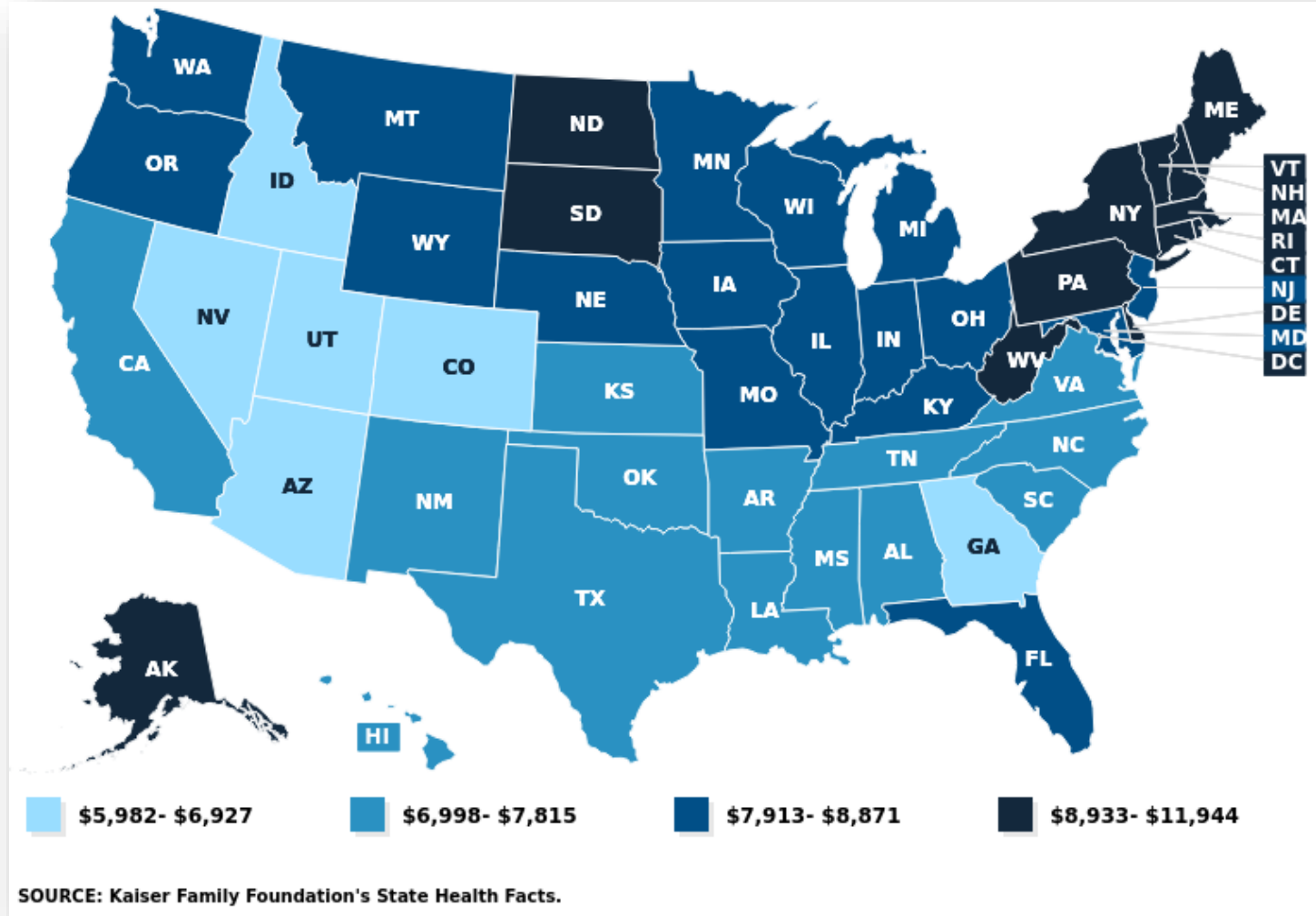
The background of the slide features a dark, semi-transparent overlay. Behind this overlay, a stethoscope is visible, resting on a document. The document appears to be a financial or medical record, containing a table of numbers. The numbers are arranged in columns, with some values like '3,00', '1,40', '3,57', '23,00', '235,56', '123,46', '9143,00', and '57364,50' visible. The overall tone is professional and clinical.

# HB123 Disclosure of Health Care Costs

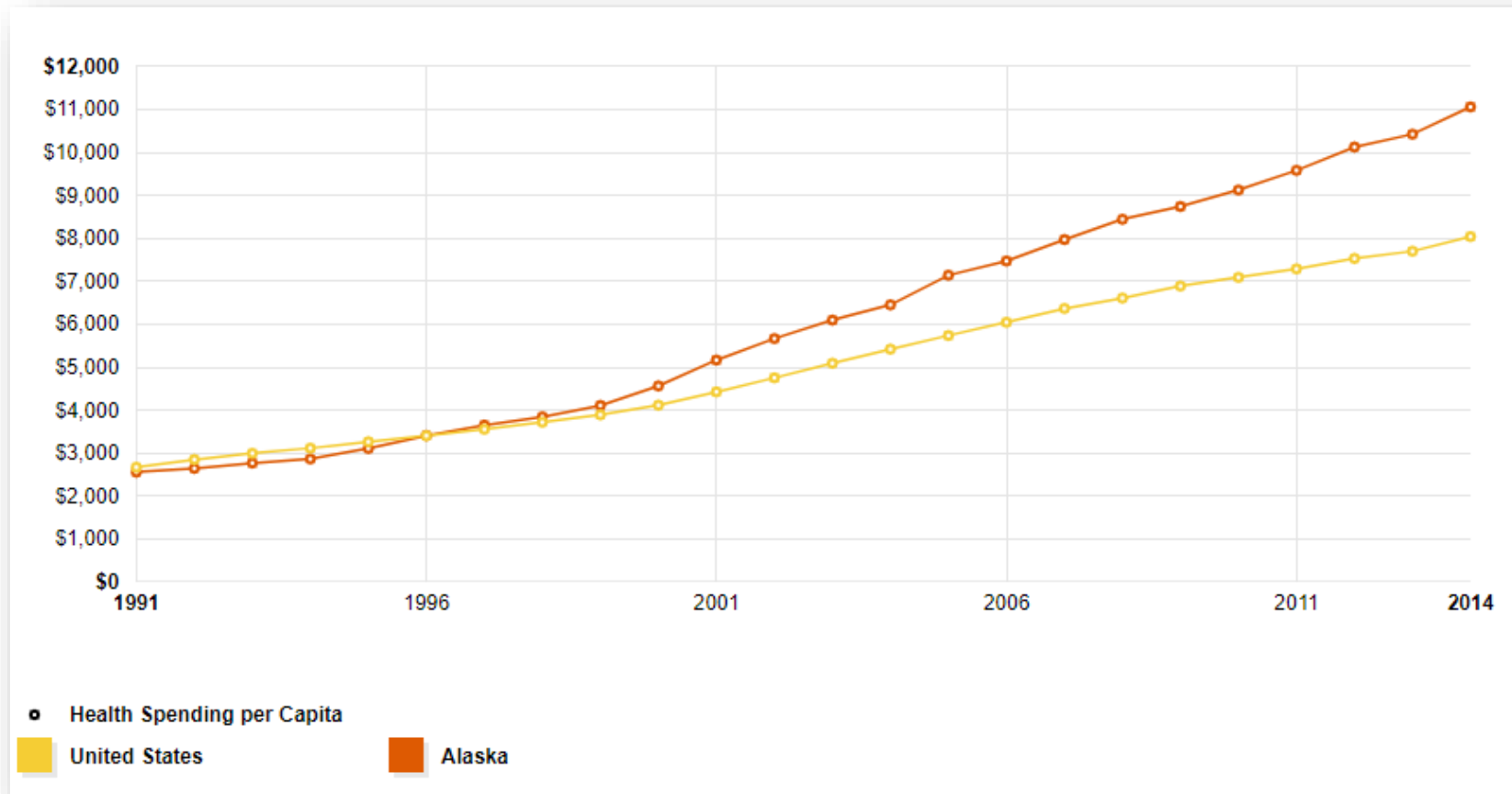
Representative Ivy Spohnholz

District 16

# Health Care Expenditures per Capita, 2014



# Health Care Expenditures per Capita, 1991-2014



# Health care costs: What's happening in Alaska?

Medical specialist costs are 35 to 40% higher in Alaska than in the lower 48; hospital stays are 50% more expensive in Alaska.<sup>2</sup>

90% of the Anchorage School District's (ASD) budget is labor; employee compensation is the largest cost driver and this is all due to healthcare and group coverage costs.<sup>2</sup>

2013 study indicated that ASD cost increases have been because of health care; benefits are more than double the national median.<sup>1</sup>

Alaska's health care costs are second highest in the nation. Only Washington DC is higher.

Health premiums for families have risen from 10% of the average Alaskan salary to 33% since 2001.<sup>1</sup>



## “How much does it cost?”

This question is so deeply integrated in the act of buying that consumers rarely have to ask because prices for services are ubiquitous.<sup>7</sup>

This is not so in health care.

Without transparency, consumers can't predict or plan whether their medical bill will be on the high or low end of the price spectrum.

---

Access to price information is needed to empower consumers to make informed choices about their health care.<sup>10</sup>

---

Transparency is the first step in reducing health care costs.

---

Price transparency will start the conversation on the cost of health care services.

Price  
Transparency:  
Why is this  
important?

30-LS0380\G

# Explanation of Changes & Sectional Analysis

# HB123:

## Changes from (H)JUD CS v. I to (S)HSS CS v. G

### Version I

1. Providers – **25 most common procedures** with **CPT code** and **undiscounted price**.
2. Facilities – **50 most common procedures** with **CPT code** and **undiscounted price**.
3. Price information will **be located in a reception area** and/or **website**.
4. Statement will be provided that explains the **price will be higher or lower than amount actually paid**.
5. **Dept. of Health & Social Services** will **compile** the information and **post** on their website.

### Version G adds the following:

1. Providers and facilities will also provide **facility fees** and the **Medicaid payment rate**.
2. Price information will be in **font size no smaller than 20**.
3. **Good Faith Estimate (GFE) upon request including health care services, CPT codes, facility fees, and identity of others that may charge**.
4. In-network and out-of-network information will be displayed (post & GFE).
5. Increase in civil penalties: \$100/day, not to exceed \$5,000.



The Department of Health & Social Services (DHSS) currently collects information and maintains a database related to public health.

**AS 18.15.360(a) has been amended to include health care services and price information.**

## Section 1

AS 18.15.360(a)

- Subsection (a) – Providers will list 25 health care services most commonly performed.
- Subsection (b) – Facilities will list 50 health care services most commonly performed.
- Subsection (c) – if fewer than 25 or 50 health care services are performed, the provider or facility will list all of the health care services performed.
- The lists will include:
  - ☐ Procedure code
  - ☐ Undiscounted price
  - ☐ Medicaid price
  - ☐ Facility Fees

## Section 2

Article 4. Health Care Services and Price Information.

Sec. 18.23.400 Disclosure and reporting of health care services and price, and fee information.

- Subsection (d) – a provider working in a group practice is not required to post price information.
- Subsection (e) – a health care provider or facility will compile the information under (a) and (b) once a year by January 31<sup>st</sup>.
  - The list will be given to DHSS.
  - The posting of the price information will be in font size no smaller than 20.
  - “You will be provided with an estimate upon request.”
  - In-Network preferred providers will also be displayed.

## Section 2 (cont.)

Article 4. Health Care Services and Price Information.

Sec. 18.23.400 Disclosure and reporting of health care services and price, and fee information.

- Subsection (f) – DHSS will post this information once a year on their website.
- Subsection (g) – Good faith estimate (GFE):
  - A patient can request a GFE for **nonemergency health care services**.
  - No later than 10 days after receiving the request or by date of service is provided (if less than 10 days).
  - Can be received verbally, in writing, or by electronic means.

## Section 2 (cont.)

Article 4. Health Care Services and Price Information.

Sec. 18.23.400 Disclosure and reporting of health care services and price, and fee information.

## ■ Subsection (h) – the estimate must include:

- Description of procedures, services, products, supplies with procedure codes
- Facility fees
- Individualize charges
- Identity of others that my charge
- Prices
- Individual's in-network preferred provider and out-of-network providers.

## Section 2 (cont.)

Article 4. Health Care Services and Price Information.

Sec. 18.23.400 Disclosure and reporting of health care services and price, and fee information.

- Subsection (i) – Providers and facilities will not be liable for damages if the estimate is different from the amount charged.
- Subsection (j) – Emergency departments are not required to provide a GFE.
- Subsection (k) – Civil penalty after March 31<sup>st</sup> is \$100 a day, not to exceed \$5,000. GFE civil penalty after 10 days is \$100 a day, not to exceed \$5,000.
- Subsection (l) – Providers and facilities can challenge their penalties with the office of administrative hearings.

## Section 2 (cont.)

Article 4. Health Care Services and Price Information.

Sec. 18.23.400 Disclosure and reporting of health care services and price, and fee information.

- Subsection (m) – a municipality may not enforce an ordinance that imposes health care price disclosure requirements. Supremacy clause.
- Subsection (n) – department, facility fee, health care facility, health care insurer, health care provider, health care service, nonemergency health care service, patient, third party, and undiscounted price are defined.

## Section 2 (cont.)

Article 4. Health Care Services and Price Information.

Sec. 18.23.400 Disclosure and reporting of health care services and price, and fee information.

## Section 3

Effective date will be January 1, 2019.



# Supporters

Alaska Association of Health Underwriters

Alaska Association of School Business Officials

Alaska Commission on Aging

Alaska Nurses Association

Alaska Permanent Capital Management

Alaska Professional Fire Fighters Association

Allen & Petersen

Bean's Café

Continental Auto Group

Denali Federal Credit Union

Denali Flying Service

Fosselman & Associates

Matanuska Telephone Association

Northrim Benefits Group, LLC

Taku Engineering, LLC

Valley Block & Concrete

# Questions?

# State Action on Price Transparency

## FLORIDA – [HB 1175](#)

- Health care facilities are required to publish and post 50 most commonly provided services categorized in 3 price levels.
- Minimum size for the posting; 15 sq. ft.
- A price estimate will also be provided upon request.
- Incentive for posting price information: repayment of license fees and CE requirement waived for a certain time period.
- Enrolled during 2016 Legislature.

# State Action on Price Transparency

## COLORADO – [SB17-065](#)

- A health care provider will post 15 of their most common procedures.
- A health care facility will post 50 most common in-patient services, and the 25 most common out-patient services.
- The patient will be provided with a single document, electronically or by posting on the provider's website of the information, along with the CPT code and description of the health care services written in plain English.
- Enrolled January 1, 2018.

# State Action on Price Transparency

## NEW HAMPSHIRE & MAINE – A+

- Both New Hampshire and Maine have enacted health care price transparency legislation that is the gold standard.
- All Payer Claims Database – full scope of providers with paid amounts, not charged amounts.
- State price transparency website – easy to understand with information on health care costs, and allows consumers to select facilities for comparison purposes.

# Price Transparency Efforts in Alaska



## ANCHORAGE MUNICIPALITY

The Municipality of Anchorage enacted their [ordinance](#) for price transparency a year ago.

## KETCHIKAN MUNICIPALITY

They're exploring a similar transparency measure that would require healthcare providers to disclose estimated medical costs to patients before they receive treatment.<sup>9</sup>

**TABLE A – SUMMARY OF SCORING CRITERIA**

	DATA SOURCE	SCOPE OF PROVIDER	SCOPE OF PRICES	SCOPE OF SERVICES	PRESENTATION OF DATA
LOW SCORING	Providers	Only hospitals/ facilities or only clinicians	Charges	Only in-patient, only out-patient, or a limited list of services	Prepared report or by request
HIGHEST SCORING	APCD	Hospitals/facilities and clinicians	Paid amounts	All in-patient and out-patient services	On a public, legislated website, with additional credit for quality of the site

Elements in a high-standard health care price transparency bill

# Sources

1. [Alaskans Like to Eat Their Cake, Up to a Point: Healthcare overview in the 49<sup>th</sup> State, Natasha von Imhof, Alaska Business, Dec. 2014.](#)
2. [How Health Care Costs are Bleeding Alaska Dry, Charles Wohlforth, Anchorage Daily News, Aug. 2016.](#)
3. [Alaska's Health-Care Bill: \\$7.5 Billion and Climbing, Mark A. Foster & Scott Goldsmith, Aug. 2011.](#)
4. [Price Transparency & Physician Quality Report Card 2017, Francois de Brantes, MS, MBA, Suzanne Delbanco, PhD, Erin Butto, MPH, Karina Patino-Mazmanian, & Lea Tessitore, MBA, MSB.](#)
5. [Transforming Health Care in Alaska: 2014 Annual Report of the Alaska Health Care Commission, State of Alaska Health Care Commission, 2014.](#)
6. [Alaska Health Care Commission: Findings and Recommendations, 2009-2013](#)
7. [Report Card on State Price Transparency Laws, Francois de Brantes, MS, MBA & Suzanne Delbanco, PhD., July 2016.](#)
8. [Health Care Cost Transparency Rules Gain Advocates, Naomi Klouda, Alaska Journal of Commerce, Dec. 2017.](#)
9. [Alaska Options for Health Care Reform and Administrative Improvements to the Affordable Care Act, Roger Stark MD, FACS, Alaska Policy Forum, Jan.2018.](#)
10. [How State Leaders Can Begin Undoing Obamacare's Damage, Robert E. Moffit, Ph.D., The Heritage Foundation, Jan. 2018.](#)
11. [Anchorage Municipal Ordinance, AO NO. 2017-26](#)
12. [Health Care Expenditures per Capita by State of Residence, State Health Facts, Health Costs & Budgets, Henry J. Kaiser Family Foundation, 2018.](#)