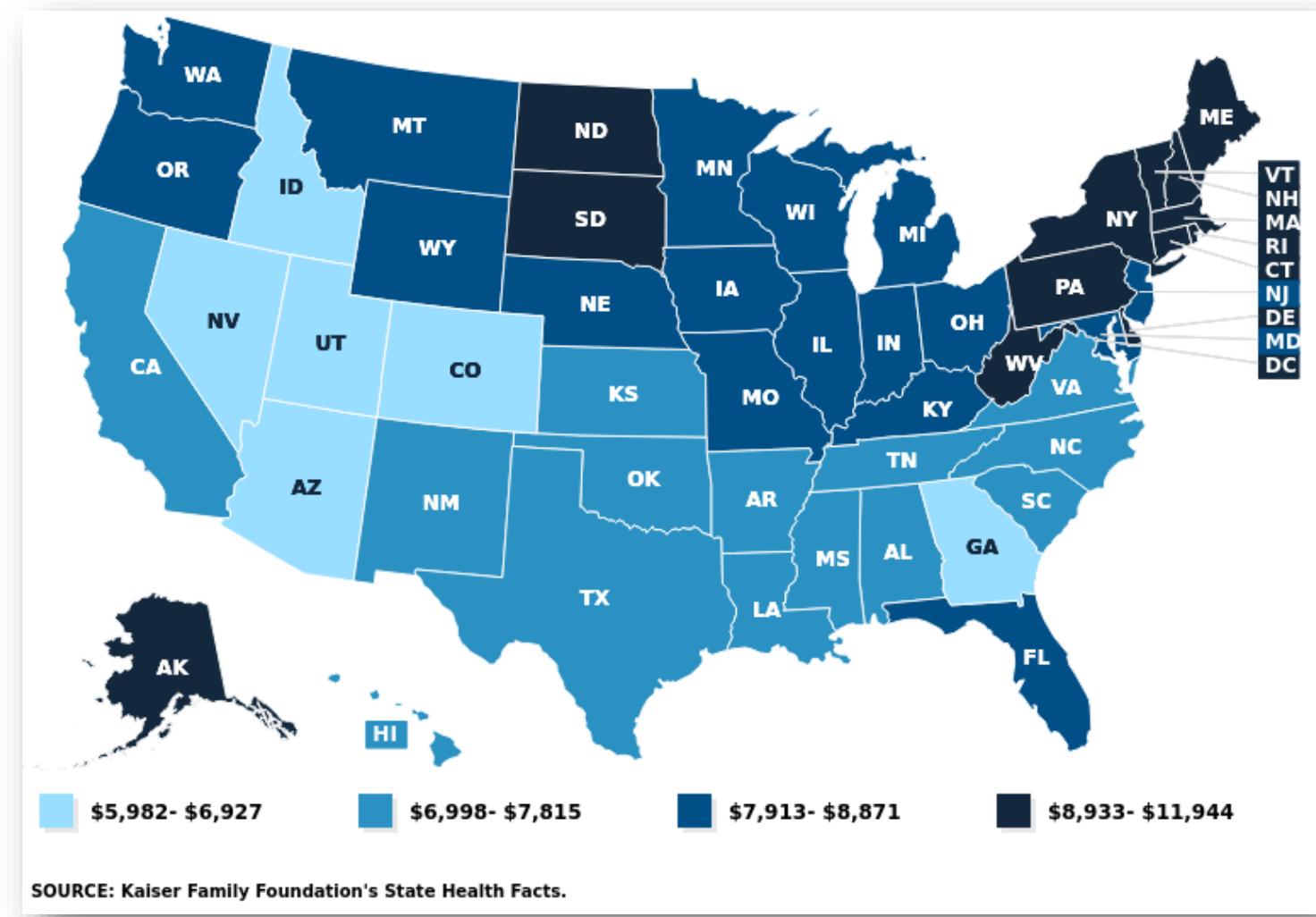


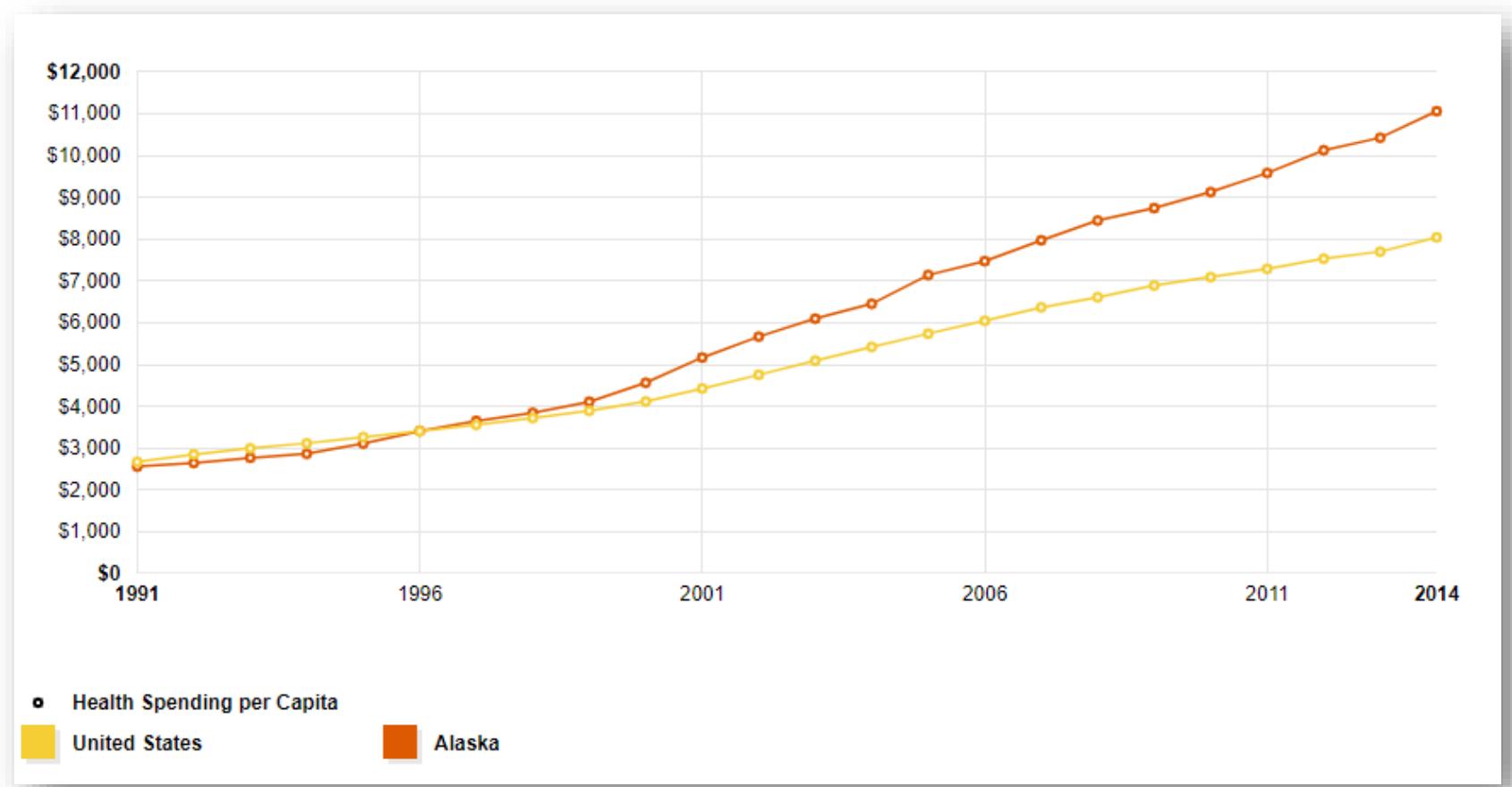
HB123 Disclosure of Health Care Costs

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.²

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.²

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

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 2001.¹



“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.⁷

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.¹⁰

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 31st.
 - 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 31st 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

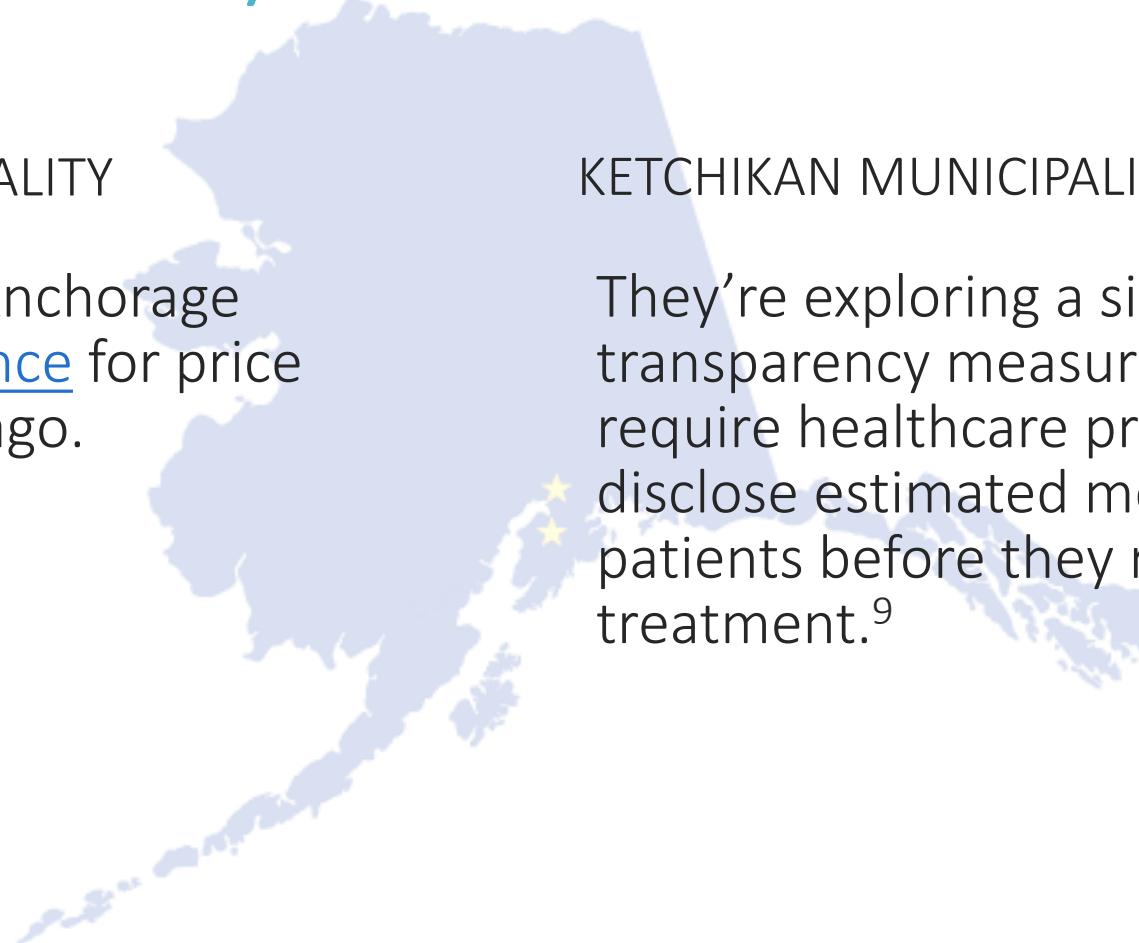
NEW HAMPSHIRE & MAINE – A+

- 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.⁹

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



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4. [Price Transparency & Physician Quality Report Card 2017, Francois de Brantes, MS, MBA, Suzanne Delbano, 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.](#)
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7. [Report Card on State Price Transparency Laws, Francois de Brantes, MS, MBA & Suzanne Delbano, PhD., July 2016.](#)
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