

Hospital Price Transparency

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**“The need for price transparency is emerging
as one of the hotter topics in the area of
consumer-directed health care.”**

National Conference of State Legislatures

An Issue
Brief

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INTRODUCTION

The issue of transparency in hospital prices has gathered a full head of steam nationwide. The Federal government, most state governments, the major health care insurers and scores of major hospitals are demanding — and responding to demands — that hospitals publish their prices so that consumers can make informed decisions about their health care choices. Nearly 4,000 U.S. hospitals currently participate in the American Hospital Association’s Hospital Quality Alliance, the initiative to provide information to the public about the quality of health care in America’s hospitals. The momentum of similar price-transparency initiatives, driven by Federal and state statutes, consumer advocates, opinion leaders, media and consumers is unstoppable.

ISSUE BACKGROUND AND MOMENTUM

"By increasing transparency, the idea is to empower consumer to find value for their dollars and to help patients find better care ..."
President George W. Bush, May 1, 2006

- *April 29, 2006:* the **AHA Board of Trustees** approved a policy regarding hospital pricing and transparency that calls on states and state hospital associations to expand existing efforts to make hospital charge information available to consumers. The policy responded to an AHA survey that found that 32 states currently have statutes requiring hospitals to report on hospital charges.
- *May 1, 2006:* **President Bush** addressed the annual membership meeting of the AHA, saying: "By increasing transparency, the idea is to empower consumers to find value for their dollars and to help patients find better care and to help transform this system of ours to make sure America remains the leader in health care."
- *June 1, 2006:* **The Centers for Medicare & Medicaid Services** [formerly the Health Care Financing Administration (HCFA)] took the first step for the Federal government by posting information about Medicare payments for 30 common elective and scheduled procedures on the Internet. The information¹ is categorized by state and county and includes a range of prices, the national average payment for the procedure and the number of cases the hospital has handled.
- *July 18, 2006:* At a hearing on Price Transparency in the Health Care Sector in the **Subcommittee on Health of the Ways and Means Committee** of the U.S. House of representatives, the **American Hospital Association** filed a statement for the record², which reads in part:
 - *"The AHA and its members believe that consumers deserve helpful information about the price of their hospital care, and are committed to providing it. Sharing meaningful information, however, is incredibly challenging because hospital care is unique."*
- *August 22, 2006:* President Bush issues an **Executive Order**³ directing all Federal agencies that administer or sponsor Federal Health Insurance programs to:
 - Increase transparency in pricing;
 - Increase transparency in quality measures;
 - Encourage adoption of health information technology standards; and
 - Provide portions that promote quality and efficiency in health care.
- *September 12, 2006:* Rep. Michael Burgee (R-TX) introduces H.R. 6053[109]: Health Care Price Transparency Promotion Act of 2006⁴ "to amend title XIX of the Social Security Act to provide for increased price transparency of hospital

¹ The data files are available at: http://www.cms.hhs.gov/HealthCareConInit/02_Hospital.asp

² <http://www.aha.org/aha/testimony/2006/060718-tes-transparent.pdf>

³ <http://www.whitehouse.gov/news/releases/2006/08/20060822-2.html>

⁴ <http://www.govtrack.us/congress/billtext.xpd?bill=h109-6053>

information and to provide for additional research on consumer information on charges and out-of-pocket costs.

- ➔ *January Order 1, 2007: All Federal agencies were to have been compliant with the August 2006 Executive Order.*

POTENTIAL IMPACT ON HOSPITALS

"Apparent lack of transparency can cause patients to wonder whether the hospital is run effectively and safely ... can confuse patients and have a negative marketing effect ..."
Healthcare Financial Management Association

Every U.S. hospital is compelled to comply with increasingly strict price- and quality-disclosure mandates and/or expectations. Compliance is complex, time-consuming, costly — and unavoidable for any hospital or health care system. As a competitive matter, it does not require a leap of faith to conclude that any hospital without a systematic, systemic and proactive response will be at a competitive and reputational disadvantage:

- ➔ *"... apparent lack of transparency can cause patients to wonder whether the hospital is run effectively and safely. If multiple errors occur in the billing process, how can a patient have confidence in care received? Healthcare financial managers likely can explain the apparent misunderstandings ... However, a lack of price transparency can confuse patients and have a negative marketing effect. Patients perceive disorganization and price opacity. In marketing, the reality is the perception."⁵*

Since both price and quality-measure transparency are increasingly used by community opinion leaders to measure how well its local hospitals are aligned with community expectations, failure to develop a sophisticated response to these issues will result in reputational harm.

Yet consumers' ability to get accurate price information about hospital procedures is difficult, even where information is ostensibly available. In California, where the *Department of Statewide Health Planning and Development Healthcare Quality Analysis* division publishes prices for *all* services, goods and procedures for California Hospitals, the California Healthcare Foundation reported results of a three-month "mystery shopper" study of 64 hospitals in late 2005.⁶ Mystery shoppers contacted hospitals both in person and by telephone to obtain answers about the price of one of 25 elective procedures or tests. The report found that:

- ➔ *"Obtaining a price depended primarily upon luck and persistence. Experiences varied greatly — even at the same hospital. While 76% of the mystery shoppers' overall price inquiries were ultimately answered with a firm or estimated price, more than a third had to make three or more calls to obtain the answer. In fact, one mystery shopper who called the hospital reported 17 points of contact in her*

⁵ Healthcare Financial Management Association, *Pricing Transparency or Smoke Screen?*, <http://www.hfma.org/hfm/2006archives/month12/leadership.htm>

⁶ <http://www.chcf.org/documents/hospitals/PriceCheckMysteryHospitalPricing.pdf>

search for an answer. Overall, only 32% of callers and 25% of those who visited the hospitals were able to obtain the information in one call or visit.”

- *“With few exceptions, the hospitals did not appear to have a designated person or department to provide pricing information, resulting in referrals to multiple sources. At hospitals that did have someone designated to provide pricing information, most staffers were apparently unaware of who that person was, as they frequently referred shoppers to other departments instead.”*
- *“When pricing information was provided, there were inconsistencies. For example, prices could be estimates, firm price quotes, or discounts. Some hospitals gave a range of prices because of the complexity of the procedure or the number of variables involved.”*

“The downside comes when people do not have information about quality of care along with the price information. Because then, the tendency is to use price as a proxy for quality.”

Judith H. Hibbard, University of Oregon

No Clear Path to Price Transparency in American Medical Colleges’ May 2006 Reporter, elaborates⁷:

- *“Judith H. Hibbard, Dr.P.H, M.P.H., a professor in the Department of Planning, Public Policy and Management at the University of Oregon and a clinical professor in the Department of Public Health and Preventive medicine at Oregon Health and Science University (OHSU) School of Medicine, said the notion of publishing Medicare prices is theoretically a good one, but cautioned that the information should not be presented to consumers in a vacuum, or be difficult to understand.”*
 - *“‘Certainly, it is good from the standpoint that people need to have this information,’ Hibbard said, ‘and need to know what care actually costs, instead of just knowing what their co-pays are. But the downside comes when people do not have information on the quality of care along with the price information. Because then, the tendency is to use price as a proxy for quality. It’s also important that, if care quality information is included, that the consumer is able to understand and use the information. If a Web site publishes information on a hospital’s average length of stay, that doesn’t tell the average consumer much,’ Hibbard said.”*

Ironically, against this background, the cry for hospital price transparency may not be as urgent among consumers themselves. *HospitalConnect.com*⁸ reported a November 2006 study in *HHN Magazine* that reported:

- *“How extensively consumers will seek out and use price or quality information is still to be determined. An August survey of 1,000 adults commissioned by Destiny*

⁷ <http://www.aamc.org/newsroom/reporter/may06/transparency.htm>

⁸

http://www.hhnmag.com/hhnmag_app/jsp/articledisplay.jsp?dcrpath=HHNMAG/PubsNewsArticle/data/2006November/0611HHN_FEA_CoverStory&domain=HHNMAG.

Health, a provider of high-deductible health plans, showed that less than 40

"... Noting the trend toward transparency ... NJHA will develop a Web site to share pricing ... to shape public dialogue and educate policymakers and the public alike."
New Jersey Hospital Association, June 30, 2006

percent of respondents were likely to shop around

for health care. Only 10 percent said they would be 'extremely likely' to shop around if they had pricing and quality information. On average, consumers spent twice as much time — 20 days — researching household purchases than the 9.7 days they spent researching doctors."

The same article noted:

- "In August, Oregon Health & Science University decided to publicly bare nearly everything about itself—its clinical outcomes, its prices, its rankings among competitors — on a newly launched Web site. In the months since the site went live, most visitors have been other providers, presumably checking out the competition, not consumers shopping for the highest quality and best value for their health care dollars."

STATE-LEVEL LEGISLATIVE STATUS

"... since the Web [pricing] site went live [at Oregon Health & Science University] most visitors have been other providers, presumably checking out the competition, not consumers ..."
HHN Magazine, November 2006

See [Appendix](#) for a complete state-by-state review as of late 2006. In brief:

- At least **32 states** have proposed and signed laws affecting disclosure, transparency, reporting and/or publication of hospital and health care charges and fees;
- **Delaware** Code Title 16, Ch. 20⁹ requires periodic compilation and dissemination of reports on charge levels, age-specific utilization patterns, morbidity patterns, patient origin and trends in health care charges;
- **Maryland** statutes and regulations require monthly reporting of hospital charge information and hospital costs for inpatient and outpatient services;
- **Pennsylvania** requires hospitals to report charge information on inpatient and outpatient services;
- Despite an apparent lack of current or pending legislation, in **New Jersey**, on June 30, 2006, the Board of Trustees of the New Jersey Hospital Association approved a voluntary price transparency strategy¹⁰:

⁹ <http://www.delcode.state.de.us/title16/c020/index.htm#TopOfPage>

"Consumers deserve helpful information about the price of hospital care ... sharing meaningful information is incredibly challenging ... the path to transparency has four parts ..."
American Hospital Association, July 18, 2006

- "Noting the trend toward transparency nationally and in numerous states, the Board agreed to have NJHA develop a Web site to share pricing information on the top Diagnostic Related Groupings, or DRGs. Board members noted that having hospitals develop such a resource allows them to shape public dialogue and educate policymakers and the public alike."

AHA STANCE

This is a summary of the AHA statement for the record on July 18, 2006:

- Consumers deserve helpful information about the price of hospital care;
- AHA and its members are committed to providing it;
- Sharing meaningful information is "incredibly challenging:"
 - Complications during a procedure make upfront pricing of limited value;
 - Costs reflect hospitals' public service role; and
 - Hospitals prices don't reflect the costs of other key players such as physicians.
- But more can and should be done to share health care information including but not limited to hospital pricing;
- The AHA policy objectives are to present information in a way that:
 - Is easy to access, understand and use;
 - Creates common definitions and language describing hospital pricing information for consumers;
 - Explains how and why the price of patient care can vary;
 - Encourages patients to include price information as just one factor to consider when making decisions about hospitals and health plans; and
 - Directs them to more information about financial assistance with their hospital care.
- The "path" to pricing transparency has four parts:
 - A *requirement* for states to work with state hospital associations to expand efforts to make hospital charge information available to consumers;
 - States working with insurers should make available in advance of medical visits information about an enrollee's expected out of pocket costs, an "Advance Estimation of Benefits;"
 - More research must be conducted to understand what type of pricing information consumers want and would use to make decisions about their health care; and
 - "We all need to agree on consumer-friendly pricing 'language.'"

¹⁰ <http://www.njha.com/html/whatdailymess.asp?curID=2294>

EXAMPLES

*"California currently posts hospital cost comparisons ... for prices of all services, goods and procedures in California Hospitals."
National Conference of State Legislatures,
December 2006*

Web-Based Disclosure Plans¹¹

- ➔ Cost information for **Arizona** hospitals and nursing home facilities can be found on the Department of Health Services, Division of Public Health Services Web site.
- ➔ **California** currently posts hospital-cost comparisons on its state government Web site and on the Office of Statewide Health Planning and Development Healthcare Quality and Analysis Division Web site for prices of all services, goods and procedures for California hospitals.
- ➔ **Florida** has established a Web site that enables consumers to obtain data on hospitals' charges and readmission rates. (<http://www.floridacomparecare.gov/>).
- ➔ **Louisiana** has a voluntary reporting program called, "Louisiana Hospital Inform" that is maintained by the **Louisiana Hospital Association**. The Web site provides pricing data on the most common Medicare inpatient and outpatient services, as well as quality data, demographic information and services offered at Louisiana hospitals.
- ➔ The **Maryland** Health Care Commission provides consumers with an online hospital-pricing guide that lists, for each acute care hospital in Maryland, the number of cases, the average charge per case and the average charge per day for the 15 most common diagnoses.
- ➔ **Massachusetts**, as part of its new health care reform law, will establish a Web site that allows consumers to compare the quality of hospitals and clinics, as well as the average payment each charges for a range of services. Massachusetts already has a Web site, but the new site will have much more information, including prices for hospitals and for the cost of prescriptions at individual pharmacies.
- ➔ Some **Minnesota** health insurers are unveiling or updating Web sites that allow their members to compare pricing and quality information for a variety of procedures and services. **Medica** has a members-only comparison Web site listing the charges for common inpatient and outpatient procedures. **HealthPartners** maintains a members-only site that provides cost data for more than 50 treatments and 100 services. **Blue Cross Blue Shield of Minnesota** will launch an updated site in mid-July. **The Minnesota Hospital Association** maintains a Web site called Minnesota Hospital Price Check that provides patients with the cost of the 50 most common inpatient and the 25 most common outpatient procedures at specific hospitals.
- ➔ **New Hampshire** recently unveiled a hospital price Web site called "New Hampshire PricePoint," which is sponsored and maintained by the **New Hampshire Hospital Association**.

¹¹ National Conference of State Legislatures, December 2006

- ➔ There also is a voluntary effort in **Oregon** called "Oregon Pricepoint," which is sponsored and maintained by the **Oregon Association of Hospitals and Health Systems**. These sites allow health care consumers to receive basic, facility-specific information about services and charges.
- ➔ In **Wisconsin**, information on hospital charges for common procedures is available online; basic price information is available on a Web site run by the **Wisconsin Hospital Association** that draws on data collected by the state. **Price Point**, displays typical charges and lengths of stay for individual hospitals, alongside state and county averages. Wisconsin lawmakers were among the first in the country to require hospitals to report their prices to the state, but that information remained difficult for the general public to use for a decade until the state gave the job of making it public to the hospital association in 2003.

Private Insurance Company Price Disclosure Web Sites

*"Cigna posts cost and quality data for inpatient services performed at hospitals as well as outpatient procedures performed at stand-alone surgical centers."
National Conference of State Legislatures,
December 2006*

- ➔ In June 2006, **Aetna** began providing consumers with online access to the rates it negotiates with physicians in several U.S. cities. In August 2006, Aetna posted new information that will allow its members in some areas to access price data for the top 30 physician services, as well as physician performance data.
- ➔ **Cigna** posts cost and quality data for inpatient services performed at hospitals, as well as outpatient procedures performed at stand-alone surgical centers. The Web site includes cost and quality information for 21 inpatient, 16 outpatient and three medical imaging services performed by specific health care facilities (this information is currently for Cigna members only). Cigna hopes to have cost and quality information available for individual physicians by 2008.
- ➔ In July 2006, **Humana** launched a feature on its Web site that allows its members to compare the average negotiated prices of more than 30 procedures in 10 disease categories at local hospitals.
- ➔ In October 2006, Grand Rapids, Michigan-based **Spectrum Health** began posting prices for more than 100 inpatient and outpatient services. The prices are approximate and include only what hospitals charge; no physician charges are outlined.
- ➔ **United HealthCare** offers its members online access to a cost estimator that provides an average national cost for common health and dental procedures.
- ➔ **WellPoint** launched a Web site in September 2006 that allows members to compare hospital prices for the total care associated with several common procedures.

APPENDIX: HOSPITAL PRICE TRANSPARENCY STATES' LEGISLATIVE SUMMARY

2005/2006 Proposed Legislation	State Statutes/Law
<p>AL SB 11 -- A hospital that receives government money shall disclose the price that the hospital charges other patients who pay negotiated rates for the same medical service items and an itemized description of the costs used to calculate the price of each medical service item on the patient billing. <i>(In committee as of 1/11/05. <u>Did not pass</u> by end of 2006 regular session).</i></p>	
<p>AZ See <i>State Statutes</i> -></p>	<p>SB 1142, Arizona Revised Stat. 36-125.05. (Sen. Leff) -- Requires the Arizona Dept. of Human Services to implement a uniform patient reporting system for all hospitals, outpatient surgical centers and emergency departments, including average charge per patient, average charge per physician. Also requires the state to publish a semiannual comparative report of patient charges, and simplified average charges per confinement for the most common diagnoses and procedures. <i>(Signed into law by governor 4/18/05)</i></p>
<p>AR HB 2575 -- Would require hospitals and medical professionals to disclose the costs of the most common services and procedures. <i>(<u>Did not pass committee</u> by the end of 2005 regular session.)</i></p>	

CA [AB 2281](#) (Assm. Chan) -- Would require health plans/insurers to provide specified information including disclosure of charges consumers can expect to pay for contracting and non-contracting providers, and what percent of premiums plans/insurers actually spend on health care services, as part of facilitating use of Health Savings Accounts.

(Filed and referred to committee 3/06; [passage refused](#) 5/31/06)

[SB 917](#) -- Would establish the Hospital Transparency Act of 2005, which amends the Payers' Bill of Rights to require the Office of Statewide Health Planning and Development (OSHPD) to compile and publish on its Web site the top 25 most common Medicare DRGs and the average charge for each by hospital.

([Vetoed by governor](#) on 10/6/05.)

CA Health & Safety Code [§1339.56](#). [AB 1045](#) -- Requires that hospitals disclose prices for the top 25 most common outpatient services or procedures, and requires, upon request, a person to be provided with a written estimate of charges for the health care services that are reasonably expected to be provided and billed to the person if the person does not have health coverage.

(Signed into law by governor on 10/5/05 as [Chapter 532, Statutes of 2005](#))

CA Health & Safety Code [§1339.585](#) -- Upon the request of a person without health coverage, a hospital shall provide the person with a written estimate of the amount the hospital will require the person to pay for the health care services, procedures, and supplies that are reasonably expected to be provided to the person by the hospital, based upon an average length of stay and services provided for the person's diagnosis.

(Signed law 2004)

CO [SB 141](#) -- Would establish the "Health Care Transparency Act," which would require hospitals and ambulatory surgical centers to report on any Medicare/Medicaid funds or reimbursements received.

(Filed and referred to committee 2/06; [passed Senate 20y-15n](#), 4/19/06; [did not pass House](#) before end of 2006 regular session)

[C.R.S. 6-20-101](#) -- Requires hospitals and other licensed or certified health facilities to disclose the average facility charge for treatment that is a frequently performed inpatient procedure prior to admission for such procedure.

(Signed into law 2003 and 2004)

[HB 1278](#) -- Would create a comprehensive hospital information system to increase health care transparency.

(Signed into law 6/2/06)

<p>CT SB 117 -- Would require hospitals to inform consumers about the cost of hospital goods and services. <i>(Did not pass committee by end of 2005 regular session.)</i></p>	<p>Statute and regulations -- Require reporting of hospital charge information for inpatient and outpatient services, in addition to negotiated payment rates with third party payers, government payment rate information and hospital costs. **</p>
<p>DE <i>See State Statutes -></i></p>	<p>Del. Code Title 16, Ch. 20 -- Requires periodic compilation and dissemination of reports on charge levels, age-specific utilization patterns, morbidity patterns, patient origin and trends in health care charges.</p>
<p>FL HB 1409 -- Would establish the "Florida Health Information Network Act," which would implement a state-wide electronic medical records network to increase individual's access to their own health care information and increase transparency in the health care system. <i>(Filed and referred to committee 3/3/06; passed House 120y-0n, 4/27/06; did not pass Senate committee by end of 2006 regular session)</i></p>	<p>F.S.A. § 395.1051 -- A licensed facility not operated by the state shall notify each patient during admission and at discharge of his or her right to receive an itemized bill upon request. <i>(Signed law, amended 2004)</i></p> <p>HB 7073 -- Would establish the "Coordinated Health Care Information & Transparency Act," which would provide better coordination of information for transparency purposes. <i>(signed law, 6/20/06)</i></p>
<p>GA SB 83 -- Would require hospitals and medical facilities to provide estimates of charges to patients and requires hospital authorities to make certain information available on their Internet websites. <i>(Filed and referred to committee 1/28/05; no further action taken)</i></p>	<p>Statute -- Requires hospitals to report UB-92 claims data for all inpatient services. Outpatient claims are reported for emergency room and ambulatory surgery services. **</p>

IL See *State Statutes* ->

[HB 2343](#) -- Requires ambulatory surgical treatment centers and hospitals to adopt a uniform system for submitting patient charges for payment from public and private payers. Amends [20 ILCS 2215/4-4\(a\)](#), which required hospitals to make available to prospective patients information on the normal charge incurred for any procedure or operation the prospective patient is considering.

(Signed into law by governor on 6/14/05 as [Public Act 94-0027](#))

IN [HB 1716](#) -- Would require hospitals and ambulatory outpatient surgical centers to provide billing information to patients and the public, establish an appeal procedure for disputed patient bills, and establish programs that provide reduced cost of care to eligible individuals and alternative payment options to other individuals.

(Did not pass committee by end of 2005 regular session.)

[IC 16-21-6](#) -- The Indiana Hospital Financial Disclosures Law requires hospitals to provide the state with audited financial statements, Medicare Cost Reports, and gross charge information.

<p>KY HB 445 -- Would require the Cabinet for Health and Family Services to make information on charges for health care services available on its Web site. This information would allow the public to make meaningful comparisons between hospitals, ambulatory facilities, and provider groups. <i>(Filed and referred to committee 1/24/06; <u>passed</u> House 95y-1n, 2/7/06 <u>did not pass</u> Senate by end of 2006 regular session)</i></p>	<p>KRS 216.2929(1) -- Requires that the Cabinet for Health and Family Services prepare and publish, in understandable language with sufficient explanation to allow consumers to draw meaningful comparisons, a report on health care charges, quality, and outcomes that includes diagnosis-specific or procedure-specific comparisons for each hospital and ambulatory facility.</p>
<p>HB 622 -- Would require the Cabinet for Health and Family Services to make health data on the cost and quality of health care available to consumers. <i>(Filed and referred to committee 2/21/06; <u>did not pass</u> by end of 2006 regular session)</i></p>	
<p>ME LD 211(LR 2121) -- Would require hospitals to disclose to the public the amounts charged to the 10 most frequent payers for each service or procedure. Referred to committee. <i>(Died in committee 5/18/05)</i></p> <p>LD 1307 -- Would require health care practitioners to provide the same consumer price information required of hospitals and ambulatory surgical centers. Referred to committee. <i>(Died in committee 5/20/05)</i></p>	<p>Title 22, Chapter 401, §1718 -- Requires that hospitals provide cost information for the 15 most common non-emergency inpatient and the 20 most common outpatient surgical procedures.</p>
<p>MD</p>	<p>Statute and regulations -- Require monthly reporting of hospital charge information and hospital costs for inpatient and outpatient services. **</p>

MA See *State Statutes* ->

[HB 490, §101 \(Chapter 58 of 2006\)](#) -- As part of universal health plan, establishes the Commonwealth Health Insurance Connector, to "facilitate the purchase of health care insurance products at an affordable price by eligible individuals, groups and other plan enrollees," by publishing a commonwealth care health insurance program consumer price schedule.

(Passed house and Senate 4/4/06; signed into law by governor 4/12/06)

MN [HB 2438](#) -- Would require the MN Hospital Assoc. to develop a web-based system for reporting and displaying cost information reported by hospitals to the association.

(In committee as of 4/18/05; no 2006 action taken)

[SB 1162](#) -- Would require and provide for the disclosure of certain hospital costs to the commissioner of health.

(In committee as of 4/6/05; no 2006 action taken)

[M.S.A. § 62J.82](#) -- Requires the development of a web-based system for reporting charge information, including average charge, average charge per day and median charge, for each of the 50 most common inpatient diagnosis-related groups and the 25 most common outpatient surgical. The site must be established by 10/1/06.

(Signed into law by governor, 2005)

MO [SB 359](#) -- Would provide for price and performance comparisons of health care facilities to be posted on a state website.

(Did not pass committee by end of 2005 regular session.)

Missouri Rev. Stats. [§192.667](#) -- Requires all hospitals and health care providers to provide charge data to the Department of Health and Senior Services.

NE See *State Statutes* ->

Neb. Rev. St. [§ 71-2075](#) -- Requires hospitals and ambulatory surgical centers to provide a written estimate of the average charges for health services.

(Signed into law, 1984, 1995)

NV [AB 545](#) -- Would require medical facilities to provide estimate of cost of medical procedure to patient before procedure occurs.
(Did not pass committee by end of 2005 regular session.)

[AB 353](#) -- Would require hospitals to submit to the Dept of Health and Human Services their charges and the hospitals' provision for discounted prices for the uninsured. Did not pass committee before end of session.
(Did not pass committee by end of 2005 regular session.)

[NRS 439B.400](#) -- Requires all hospitals to maintain and use a uniform list of billed charges for units of service or goods provided to all inpatients. A hospital may not use a billed charge for an inpatient that is different than the billed charge used for another inpatient for the same service or goods provided.

NH Statute and regulations -- Require reporting of information for all inpatient services and all outpatient ambulatory surgery and emergency room services. **

NM *See State Statutes ->* [House Memorial 43](#) of 2005 (Rep. Payne) -- Non-binding resolution, requests that hospitals work with state agencies to develop a process to post hospital charges, hospital quality, and annual increases in hospital charges.
(Approved by Senate 4/05)

Statute -- Requires reporting of information for inpatient services based on UB-92 claims data that is reported to the state Health Policy Commission and the hospital association on a quarterly basis. The hospital association will implement a public reporting initiative modeled after Wisconsin's Pricepoint project in Fall 2006. **

NC See *State Statutes* ->

NC Gen. Stats. [Ch. 131E-214.4](#) -- Requires that a report that includes a comparison of the 35 most frequently reported charges of hospitals and freestanding ambulatory surgical facilities be made available to the Division of Facility Services of the Department of Health and Human Services.

OH

Ohio Rev. Code § 3727.12 -- Requires reporting of hospital charges for the top 100 Diagnosis Related Groups, operating room costs, emergency procedures, physical therapy, and the top 30 x-rays and laboratory procedures.

[HB 197](#) -- Requires a hospital to make its price information list available free of charge on its web site to any person and post an announcement of the list's availability in each of the hospital's billing offices and admission, patient waiting, and reception areas.
(signed into law by governor on 8/9/06)

OR [SB 1040](#) -- Would modify the duties of the Administrator of Office for Oregon Health Policy and Research regarding obtaining and reporting health care data.
(Did not pass committee by end of 2005 regular session.)

Statute -- Requires reporting of information on all inpatient and outpatient services to the state Office of Health Policy and Research. The information is based on inpatient and ambulatory surgery discharge records collected from hospitals. **

PA See *State Statutes* ->

35 P.S. §§449.5-449.7 -- Requires the Health Care Cost Containment Council to develop a computerized system for the collection, analysis and dissemination of health care quality and cost information. Requires the Council to collect patient data, including total charges of health care facilities. Requires the Council to make available the top 65% of all covered inpatient and outpatient hospital services and provide comparisons.

RI [SB 788](#) -- Would require every health care facility that has an emergency medical unit post a notice of average or minimum facility and professional charges and costs per patient visit.
(Did not pass by end of 2005 regular session.)

SC

Statute and regulations -- Require reporting of UB-92 claims data, including charges on all hospital inpatient discharges and some outpatient services, such as outpatient surgery, emergency department services, labor and delivery, radiation therapy, chemotherapy, imaging, lithotripsy and observation claims. **

SD See *State Statutes* ->

[SB 169](#) -- Requires hospitals to report the charges for the 25 most common inpatient diagnostic groups to the Dept of Health, which must post the charges on its [website](#).
(Signed into law by governor on 3/1/05)

[SDCL § 34-12E-8](#) -- All fees and charges for health care procedures shall be disclosed by a health care provider or facility upon request of a patient. *(Signed law, 1994)*

TN Statute and regulations -- Require reporting of information on all inpatient services to the Tennessee Hospital Association, as well as on such outpatient services as ambulatory surgery, emergency room visits, observations and selected procedures consistent with state Certificate of Need guidelines. **

TX [HB 3276](#) -- Would require health care facilities to report and disclose estimated charges. *(Did not pass committee by end of 2005 regular session.)* Statute and regulations -- Require reporting of information on all inpatient services based on UB-92 claims. **

UT HB 203 - (Rep. Hutchings) Would require hospital and related medical billing to include plain English explanation of charges. *(Filed 1/19/06; did not pass committee by end of 2006 regular session)* Statute and regulations -- Require reporting of information on all inpatient and outpatient services based on hospital discharge data. Utah is planning to implement a public reporting initiative modeled after Wisconsin's Pricepoint project in Fall 2006. **

[HB 246](#) (Rep. Morley) -- Would authorize the state Health Data Committee to collect data on the costs of episodes of health care and develop a plan to measure and compare costs of care, as part of easing use of Health Savings Accounts. *(Filed 1/11/06; passed House 2/22/06; did not pass Senate by end of 2006 regular session)*

[HB 301](#) (Rep. Hutchings) -- Would provide Consumer Access to Health Care Provider Charges, as part of consumer-driven and HSA health initiative. *(Filed 1/19/06; did not pass committee by end of 2006 regular session)*

VT	Statute -- Requires reporting of information on inpatient services (average charge by hospital for the top 10 services) and on outpatient services (average charge for top 10 procedures and outpatient diagnostic tests). **
VA	Statute and regulations -- Require reporting of information on all inpatient services and selected outpatient services. Hospital costs are also reported from annual financial filings and UB-92 forms. **
WA <i>See State Statutes -></i>	<u>RCW 70.41.250</u> -- Requires procedures for disclosing to physicians and other health care providers the charges of all health care services ordered for their patients. Copies of hospital charges shall be made available to any physician and/or other health care provider ordering care in hospital inpatient/outpatient services. The physician and/or other health care provider may inform the patient of these charges and may specifically review them. Hospitals are also directed to study methods for making daily charges available to prescribing physicians through the use of interactive software and/or computerized information thereby allowing physicians and other health care providers to review not only the costs of present and past services but also future contemplated costs for additional diagnostic studies and therapeutic medications.
WV	Statute and regulations -- Require reporting of information on all inpatient and outpatient services by department and payor. Other reported information includes negotiated payment rates with third party payers, government payment rate information and hospital costs. **

WI See *State Statutes* ->

Wis. Stats. Ch. 153 (Health Care Information) --
Requires hospitals and ambulatory surgery centers to
report patient-level data, including charges assessed
for specific procedure codes.

(Signed law, 1992)

[AB 907 \(Act 228\)](#) -- Dedicates state funds to the WI
Health Information Organization (WHIO), a coalition
of managed care companies, employer groups, health
plans, physician associations, hospitals and doctors,
to analyze and publicly report the health care claims
information with respect to the cost, quality, and
effectiveness of health care, in language that is
understandable by laypersons. This new law is
designed to collect credible and useful data for the
purposes of quality improvement, health care
provider performance comparisons, ready
understandability and consumer decision-making.
(signed law, 2006)

** As reported in the "American Hospital Association's Hospital Pricing Transparency Survey,"
April 26, 2006.

Notes:

1 "Health Costs: The Medical-Bill Mystery," by Sara Lueck, in The Denver Post (March 12, 2006,
Wall St. West, p. WSJ-2)

2 "Health Care Marketplace: Bush Administration Expected to Announce Plan to Increase
Transparency of Health Care Prices," Daily Health Policy Report, www.kaisernetwork.org (March 14,
2006, p. 1).

3 "Transparency in Health Care a Priority," by Secretary Michael Leavitt, in
http://thehill.com/thehill/export/TheHill/News/Frontpage/051006/ss_leavitt.html (May 10, 2006).

4 "Hospital Pricing Transparency Survey," by the American Hospital Association (April 26, 2006).

5 "Moves afoot to shed light on hospital costs," by Daniel C. Vock, in www.stateline.org (March
22, 2006, p. 1).

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ABOUT THE AUTHOR

David Kirk, APR, Fellow PRSA, is a communication consultant with 30 years' experience in communication research, planning and programming. He works with the senior executives of organizations and companies to identify issues that affect their reputations. He then assists in addressing those issues through effective communication research, planning and implementation. His healthcare industry clients have included:

- ➔ American Hospital Association
- ➔ Brandywine Hospital
- ➔ Bristol-Myers Squibb
- ➔ Christiana Care Health System
- ➔ Dupont Merck Pharmaceutical Company
- ➔ Epotec
- ➔ Glaxo, Inc.
- ➔ Helene Fuld Medical Center
- ➔ Hospital & Healthsystems Association of Pennsylvania
- ➔ International Academy of Compounding Pharmacists
- ➔ Lancaster General Hospital
- ➔ Lancaster General Hospital/Susquehanna Division
- ➔ Lancaster Health Alliance
- ➔ Mercer Medical Center
- ➔ New Jersey Hospital Association
- ➔ Shore Memorial Hospital
- ➔ Wedgewood Pharmacy

He was [Accredited](#) in Public Relations by the Public Relations Society of America in 1982 and in 1994 was inducted into that organization's prestigious [College of Fellows](#), which recognizes senior practitioners for significant contributions to communication research and literature and to community service.

He was a fifteen-year member and former chairman of the [Universal Accreditation Board](#), the international body that develops and administers the Accreditation in Public Relations testing and certification program worldwide. He was the key architect of the three-year re-engineering project that resulted in an entirely new Accreditation process, introduced in 2003.

In 1983 he co-founded Goebel, Kirk & Pilato Public Relations, which was acquired in 1990 by Ketchum Public Relations, one of the world's largest public relations firms, where he served as senior vice president in the Philadelphia region. In 1993, he returned to independent practice in the communication specialties of research, corporate reputation management, community affairs, issues management, executive media training and the use of communication technologies. He holds a B.A. degree in Psychology from La Salle University, in Philadelphia.