

## Statutory Requirements in Selected States for Health Care Facility Pricing/Quality & Insurance Information

Prepared by Pat Murdo  
Legislative Services  
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Consumer information in the health care arena is intended to encourage payor sensitivity to prices and quality. Although consumers who have insurance policies that pay first dollar or have a low deductible and low co-pays might not pay as much attention to price, others may try to seek the information to determine **whether** to have a procedure or **where** to have a procedure. Various states have used price comparisons as a way to give consumers information. The U.S. Department of Health and Human Services makes information on hospital quality available<sup>1</sup> and the Centers for Medicare and Medicaid has an initiative<sup>2</sup> to develop information on physician quality. These efforts remain partial in painting a complete picture because often the statistics do not risk-adjust for severe cases or cannot provide sufficient explanation to differentiate among hospitals and pricing averages.

For the purposes of this SJR 15 study, this look at how other states have handled pricing transparency among health care providers, particularly hospitals, is an effort to determine:

- is legislation necessary to initiate a pricing comparison process;
- what purposes are accomplished by legislation;
- what approaches do other states take and how broad is the information effort?

In many states, the price comparison reporting is voluntary, primarily handled by the state's hospital association. This apparently is happening in Montana, where the MHA board of directors in July approved working with the organization that developed Price Point in Wisconsin.<sup>3</sup> That organization now serves various other states, using each state's data to provide a data base on a server operated by that organization. Some of the states that use Price Point also have passed legislation specifying types of data that must be collected. Wisconsin changed its process to be a public-private partnership in 2005 when it moved the data gathering to the WHA Information Center, which handles Price Point. The change included an appropriation of \$150,000.

In states that do not use PricePoint software and services, the data comparisons may be on state websites, gathered and analyzed by a health care commission, or related entity. One of the first states to initiate a comparison of hospitals is Pennsylvania, which through its million-dollar-plus Pennsylvania Health Care Cost Containment Council does intensive comparisons of hospitals, including adjusting for risk and listing quality comparisons.

Legislative purposes can range from specifying how many procedures need to be listed to which health care facilities must report (see Table). Legislation also can specify how to use data already being collected. In Montana, the Department of Public Health and Human Services gathers information from health care facilities that it licenses, as required under 50-5-106, MCA. The information is available but not through a website or in a form that consumers could use to determine whether or where to obtain medical services.

Other reasons for state involvement in data gathering include the ability to include information from for-profit and non-profit hospitals on both an inpatient and an outpatient basis as well as information from outpatient or ambulatory care centers. Also, states can set parameters on the cost or charge that is reported. For example, charges may be discounted for some insurance

policies or government payors but not for other payors. Costs may more appropriately reflect basic costs but not indicate what a patient will pay out of pocket. Some states gather the information then indicate the information is to be shared under contract with a data aggregator.

The following information, which has been updated since a similar presentation in June, includes some specific statutory references for pricing comparisons, along with websites for many states that indicate pricing comparisons.

### Health Care Services Pricing Comparison Information by Selected States

State	Who compiles data, what types of data, and legislative provisions (if available)
Arizona	<p><b>Responsible compiler:</b> state, contracts with Rand Corp.  <b>Data from:</b> hospitals, outpatient surgical centers, emergency departments.  <b>Legislation:</b> passed in 2005. Requires semiannual reports, # of inpatient confinements, average length of stay, average charge per day, average charge per patient, average charge per physician for each confinement, plus simplified average charges for most common diagnoses or procedures.</p>
<p><a href="http://www.azdhs.gov/plan/crr/cr/comparison_reports.htm">http://www.azdhs.gov/plan/crr/cr/comparison_reports.htm</a></p>	
California	<p><b>Responsible compiler:</b> state  <b>Data from:</b> hospitals  <b>What:</b> prices for top 25 most common procedures plus written estimate on request of expected charges to be billed to uninsured person, based on average length of stay and services for person's diagnosis.  <b>Legislation:</b> AB 1627 in 2003 and AB 1045 in 2005 through a Payers' Bill of Rights requires hospitals to submit copies of its chargemaster, the average charge for 25 common outpatient procedures, and the estimated percent change in gross revenue due to price changes. The chargemaster requires looking at each hospital. An online 2005 bizjournal article called the procedure useless for consumers comparing prices:  <a href="http://www.bizjournals.com/sanjose/stories/2005/07/18/story4.html">http://www.bizjournals.com/sanjose/stories/2005/07/18/story4.html</a></p> <p><b>Other Legislation:</b> AB774 established a hospital fair pricing policy, effective January 2007. Each hospital, psychiatric acute hospital, and special hospital is to provide information on charity care availability, payment discounts, and government-sponsored health insurance. They also are to standardize billing and collections procedures.  <a href="http://www.oshpd.ca.gov/HID/Products/Hospitals/FairPricing/HSC127400_CharityCarePoliciesSB350.pdf">http://www.oshpd.ca.gov/HID/Products/Hospitals/FairPricing/HSC127400_CharityCarePoliciesSB350.pdf</a></p> <p><b>Optional Source:</b> California HealthCare Foundation in cooperation with the University of California - San Francisco and the California Hospital Assessment Reporting Taskforce:  <a href="http://www.calhospitalcompare.org/">http://www.calhospitalcompare.org/</a> - searchable by zip code. (e.g. 94501 yielded 28 results)</p>
<p><a href="http://www.oshpd.ca.gov/HID/Products/Hospitals/FairPricing/index.html">http://www.oshpd.ca.gov/HID/Products/Hospitals/FairPricing/index.html</a></p>	
Colorado	<p><b>Responsible compiler:</b> Not apparently compiled  <b>Data from:</b> hospitals &amp; other health care facilities  <b>What:</b> prior to admission, disclosure of average facility charge for frequently performed inpatient procedures.  <b>Alternative Options:</b> Department of Public Health &amp; Environment chose Colorado Hospital Association to publish report on quality measures.            Voluntary effort by Catholic Health Initiatives and Centura Health to test software that lets patients estimate out-of-pocket costs</p>

<b>Connecticut</b>	<p><b>Responsible compiler:</b> Not apparently compiled</p> <p><b>Data from:</b> hospitals</p> <p><b>What:</b> Hospital information for inpatient &amp; outpatient services with negotiated rates with 3rd party payers, government payment rates, hospital costs. Not obvious where reported. Connecticut Hospital Assn?</p>
<b>Florida</b>	<p><b>Responsible compiler:</b> state, Florida Center for Health Information and Policy Analysis</p> <p><b>Required:</b> notification of patients of their right to get itemized bill.</p> <p><b>Who:</b> licensed facilities</p> <p><b>Legislation:</b> HB 7073 requires coordination of information Florida state website compares health insurers.</p>
<a href="http://www.floridahealthfinder.gov/reports-guides/patient-bill-rights.shtml">http://www.floridahealthfinder.gov/reports-guides/patient-bill-rights.shtml</a>	
<b>Georgia</b>	<p><b>Requires:</b> hospitals to report UB-92 claims data for inpatient services. Outpatient claims are reported for ER and ASCs.</p> <p><b>Uses:</b> modified PricePoint software through Georgia Hospital Association</p>
<a href="http://www.gahospitalpricecheck.org/">http://www.gahospitalpricecheck.org/</a>	
<b>Illinois</b>	<p>Public Law 094-0027 requires: "Consumer Guide to Health Care" to list information on at least 30 outpatient procedures (named by the Dept of Public Health) that show the highest degree of variation in patient charges and quality care. Also to report nosocomial infection rates, case volume, average charges, risk-adjusted mortality rates, and for ASCs any direct admissions of outpatient cases to hospitals for selected procedures, as determined by the DPH. Information must be easy to understand &amp; include explanations to interpret data.</p> <p>Hospitals, ASCs to adopt uniform system for submitting patient charges for payment from public &amp; private payers.</p> <p>Department of Insurance to require all 3rd party payors accept uniform billing form. (Apparently not implemented yet -- No Report Card, No Consumer Guide to Health.</p>
<a href="http://www.emaxhealth.com/24/19752.html">http://www.emaxhealth.com/24/19752.html</a>	
<b>Kentucky</b>	<p><b>Responsible compiler:</b> state, with help from Kentucky Hospital Assn.</p> <p><b>Data from:</b> hospitals &amp; ASCs.</p> <p><b>What:</b> explanations in understandable language for comparing health care charges, quality, outcomes of diagnosis &amp; procedures.</p>
<a href="http://chfs.ky.gov/ohp/healthdata">http://chfs.ky.gov/ohp/healthdata</a> and <a href="https://www.kyha.com/Pricing/main.asp">https://www.kyha.com/Pricing/main.asp</a>	
<b>Maine</b>	<p><b>Requires:</b> hospitals to provide cost information for 15 most common nonemergency inpatient and 20 most common outpatient surgical procedures.</p>
<a href="http://www.healthweb.state.me.us/outpatient/reports/2005/2005LABState.asp">http://www.healthweb.state.me.us/outpatient/reports/2005/2005LABState.asp</a>	
<b>Maryland</b>	<p><b>Responsible compiler:</b> Hospital Rate Review Commission, provided with monthly reports on hospital charges and costs for inpatient &amp; outpatient services.</p>
<a href="http://mhcc.maryland.gov/consumerinfo/hospitalguide/hospital_guide/cost_report.html">http://mhcc.maryland.gov/consumerinfo/hospitalguide/hospital_guide/cost_report.html</a>	
<b>Massachusetts</b>	<p>Publishes insurer price information as part of MA Connector and other health insurance reforms</p>
<a href="http://www.mahealthconnector.org/portal/site/connector">http://www.mahealthconnector.org/portal/site/connector</a>	

<b>Minnesota</b>	<b>Requires:</b> Reporting of average & median charges for 50 most common inpatient diagnosis related groups & 25 most common outpatient procedures The Minnesota Hospital Association runs a price comparison website.
<a href="http://www.mnhospitalpricecheck.org/">http://www.mnhospitalpricecheck.org/</a>	
<b>Missouri</b>	Missouri Hospital Association website does not list prices but a google search indicates the Missouri Hospital Association provides that information at an alternate website.
<a href="http://www.focusonhospitals.com/Resources/">http://www.focusonhospitals.com/Resources/</a>	
<b>Nebraska</b>	Requires: Hospitals & ASCs to provide written estimate of average charges for health services.
<a href="http://www.nhacarecompare.com/Basic_INP.aspx">http://www.nhacarecompare.com/Basic_INP.aspx</a>	
<b>Nevada</b>	<b>Requires:</b> Hospitals to use uniform list of billed charges for inpatient services/goods. Equity in billing. NRS 439B.400 State links to DHHS Hospital Compare State Hospital Association offers a Price Point Comparison
<a href="http://www.nvpricepoint.net/">http://www.nvpricepoint.net/</a>	
<b>Ohio</b>	Requires: Hospitals to put price information on website and post announcement of list availability in each billing office, admission, patient waiting, & reception area.
<b>Pennsylvania</b>	<b>Responsible Compiler:</b> State through Health Care Cost Containment Council <b>Requires:</b> Health Care Cost Containment Council to develop computerized collection/dissemination system for health care quality/cost information. Patient data, including total charges, and the top 65% of covered inpatient & outpatient services to be listed.
<a href="http://www.phc4.org/">http://www.phc4.org/</a>	
<b>South Dakota</b>	<b>Legislation:</b> SB169, passed in 2005. Requires: Any licensed hospital must report charges for 25 most common inpatient diagnostic groups to the South Dakota Association of Healthcare Organizations. Department of Health to develop rules for reporting of charge information. The rules are to include the method of reporting charges and standards that provide validity and comparability of charge reports. Requires South Dakota Association of Healthcare Organizations to develop free-to-the-public website to disclose hospital charges. The information must include explanation of factors affecting charges. Requires at least annual updates.
<a href="http://hospitalpricing.sd.gov/">http://hospitalpricing.sd.gov/</a>	
<b>Texas</b>	<b>Requires:</b> Providers to give estimates of expected charges and itemized bills on request of a patient. Also, consumer website required to access physician billing information of average charges for procedures. Standard billing requirements for physicians, insurers, & hospitals. All must disclose billing policies. <b>Legislation:</b> SB1731 (2007)
<a href="http://www.dshs.state.tx.us/THCIC/Publications/Hospitals/IQIReport2004/IQIReport2004.shtm">http://www.dshs.state.tx.us/THCIC/Publications/Hospitals/IQIReport2004/IQIReport2004.shtm</a>	
<b>Utah</b>	Compiler: state plus Price Point system
<a href="http://health.utah.gov/myhealthcare/">http://health.utah.gov/myhealthcare/</a>	

<b>Vermont</b>	<b>Legislation:</b> HB 191, Catamount health care reforms. As part of health care reforms, requires hospitals to file analysis of cost-shifting reductions if public payments increase or rate of insured people rises. (section 25) Cost-shift task force created. Commission to develop common claims form for easier readability, use, and lower administrative costs.
<b>Washington</b>	<b>Legislation:</b> RCW 70.41.250 requires hospitals to provide physicians and other health care providers with information on the charges of all health care services ordered for their patients. The physicians and health care providers may inform their patients. Hospitals also are to make physicians aware of daily charges through interactive software so physicians can estimate costs for additional diagnostic studies and therapeutic medicines. Washington Hospital Association reportedly purchases from Department of Health information to be posted on website for pricing transparency.
<a href="http://www.wahospitalpricing.org/">http://www.wahospitalpricing.org/</a>	
<b>West Virginia</b>	Requires: Reporting of inpatient & outpatient services by department and payor.  Requires reporting of negotiated pay rates with 3rd party payors, government payment rates, & hospital costs.
<b>Wisconsin</b>	<b>Requires:</b> Hospitals & ASCs to report charges for specific procedure codes. Also provides state funding to analyze & report health care claims information related to cost, quality, effectiveness of health care in understandable language. <b>Legislation:</b> 2005 amendments require contracting with a data organization for the collection, analysis, and dissemination of health care claims information. Formerly handled by the Board of Health Care Information, the Interagency Coordinating Council, and the Independent Review Board. One-time funding of \$150,000.
<a href="http://www.wipricepoint.org/">http://www.wipricepoint.org/</a>	

Shaded areas indicate known Price Point systems.

**Endnotes:**

1. See <http://www.hospitalcompare.hhs.gov> for hospital quality.
2. See [http://www.cms.hhs.gov/QualityInitiativesGenInfo/01\\_overview.asp](http://www.cms.hhs.gov/QualityInitiativesGenInfo/01_overview.asp) for physician quality.
3. Prior to adopting the Price Point program, the Montana Association of Health Care Providers, MHA, had a voluntary pricing comparison for selected inpatient and outpatient procedures, along with other tips for consumers accessing health care.