

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 497

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO HOSPITALS; AMENDING CHAPTER 13, TITLE 39, IDAHO CODE, BY THE
2 ADDITION OF A NEW SECTION 39-1396, IDAHO CODE, TO PROVIDE A SHORT TI-
3 TLE, TO PROVIDE THAT PATIENTS ADMITTED TO A HOSPITAL SHALL RECEIVE AN
4 ITEMIZED REPORT OF AVERAGE CHARGES, TO PROVIDE THAT HOSPITALS SHALL
5 PROVIDE AN ESTIMATE OF ACTUAL CHARGES TO CONSUMERS WHEN REQUESTED, TO
6 PROVIDE THAT THE DEPARTMENT SHALL ACCEPT REQUESTS FOR PROPOSAL TO CRE-
7 ATE A WEBSITE AND MOBILE APPLICATION, TO PROVIDE INFORMATION CONTAINED
8 ON THE WEBSITE AND MOBILE APPLICATION, TO PROVIDE THAT HOSPITALS AND
9 SURGICAL CENTERS SHALL SUBMIT DATA FOR USE ON THE WEBSITE AND MOBILE
10 APPLICATION, TO PROVIDE THAT GAG CLAUSES SHALL NOT PREVENT DISCLOSURE
11 OF REQUIRED INFORMATION, TO PROVIDE FOR PATIENT CONFIDENTIALITY, TO
12 PROVIDE THAT REPORTS SUBMITTED BY HOSPITALS SHALL BE SUBJECT TO PUBLIC
13 INSPECTION, TO PROVIDE THAT THE DEPARTMENT MAY FURTHER EXAMINE RECORDS
14 AND ACCOUNTS, TO PROVIDE AN APPEALS PROCESS, TO PROVIDE FOR RULEMAK-
15 ING AUTHORITY AND TO AUTHORIZE PENALTIES; PROVIDING SEVERABILITY; AND
16 DECLARING AN EMERGENCY.
17

18 Be It Enacted by the Legislature of the State of Idaho:

19 SECTION 1. That Chapter 13, Title 39, Idaho Code, be, and the same is
20 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
21 ignated as Section 39-1396, Idaho Code, and to read as follows:

22 39-1396. HEALTH CARE TRANSPARENCY. (1) This section shall be known and
23 may be cited as the "Idaho Health Care Transparency Act."

24 (2) All patients that visit a hospital or surgical center in this state
25 shall receive upon request an itemized report of average charges that in-
26 cludes insurance estimates, both before treatment or admission, and also
27 upon request an itemized bill with such information upon discharge.

28 (3) Each hospital and surgical center in this state shall respond with
29 an estimate within three (3) business days to a consumer inquiry about the
30 actual charges for a specific admission, procedure or service, including the
31 average charge for any prescription drugs that may accompany the admission,
32 procedure or service, when the consumer is self-paying, uninsured or insured
33 through a health plan but the facility or practitioner is out of network.
34 Nothing in this section shall prevent the facility or practitioner from
35 charging for unforeseen services that arise out of the proposed admission,
36 procedure or service. The facility or practitioner shall alert the consumer
37 that the actual amount the consumer might be responsible to pay may vary due
38 to unforeseen services that arise out of the proposed admission, procedure
39 or service. The facility shall notify the consumer as to whether it is a part
40 of the consumer's health plan network to the extent the consumer is insured.

41 (4) The department of health and welfare shall accept requests for pro-
42 posal (RFP) to develop a website and application for mobile devices by De-

1 cember 1, 2014, that is based upon data submitted by hospitals and surgical
2 centers to the department or its contractor for the website and mobile appli-
3 cation pursuant to subsection (5) of this section to allow the public to view
4 and compare pricing. The website and mobile application shall perform the
5 following functions:

6 (a) The website and mobile application shall provide an average cost
7 from all payers for the fifty (50) most common inpatient and outpatient
8 non-surgical procedures and the twenty-five (25) most common inpatient
9 and outpatient surgical procedures performed in each county in the
10 state;

11 (b) The website and mobile application shall provide the cost at each
12 facility in the county where the procedures described in subsection
13 (5) (a) of this section are performed;

14 (c) The website and mobile application shall contain a report that is
15 produced by the department of health and welfare two (2) times per year
16 that contains the average charge for a confinement for the fifty (50)
17 most common inpatient and outpatient non-surgical procedures and the
18 twenty-five (25) most common inpatient and outpatient surgical proce-
19 dures broken down by county;

20 (d) The website and mobile application shall provide a link to a web-
21 site, as determined by the department, that rates the quality of ser-
22 vice at each hospital and surgical center in this state for the fifty
23 (50) most common inpatient and outpatient non-surgical procedures and
24 the twenty-five (25) most common inpatient and outpatient surgical pro-
25 cedures; and

26 (e) For each hospital in this state that is recognized by the Inter-
27 nal Revenue Code as a nonprofit organization or entity, the website and
28 mobile application shall contain, for each taxable year, a link on the
29 website that allows access to a copy of the hospital's internal revenue
30 service form 990 including, but not limited to, schedule J or any suc-
31 cessor schedule that provides compensation information for certain of-
32 ficers, directors, trustees and key employees as determined by the de-
33 partment. Equivalent data shall also be provided for each county hospi-
34 tal and any government hospital or health entity in this state.

35 (5) Each hospital and surgical center in this state shall, for use in
36 compiling the required reports on the website and mobile application as de-
37 scribed in subsection (4) of this section, submit quarterly to the depart-
38 ment, or its contractor for the website and mobile application, beginning on
39 October 1, 2014, data as specified by rule that includes, but is not limited
40 to, the following:

41 (a) Patient admission and discharge data;

42 (b) Emergency department data that includes the number of patients
43 treated in the emergency department of a hospital or surgical center
44 reported by patient acuity level;

45 (c) Data on hospital-acquired infections;

46 (d) Data on complications;

47 (e) Data on readmissions as specified by rule, with patient and
48 provider-specific identifiers included; and

49 (f) Actual charges and reimbursement rates from all payors for patient
50 admissions and services.

1 (6) Clauses in agreements that prevent hospitals and surgical cen-
2 ters from disclosing negotiated price information, such as total and
3 out-of-pocket payment information, where such price related information is
4 used for patient and purchaser decision-making shall not prevent the report-
5 ing of data as required by this section.

6 (7) All reports filed pursuant to the provisions of this section are
7 open to public inspection at the offices of the department of health and wel-
8 fare and shall be available in a searchable format on the website and mobile
9 application described in subsection (4) of this section. The department of
10 health and welfare shall ensure that this public access to reports does not
11 breach confidentiality of privileged medical information or privileged in-
12 formation on an individual's work performance or earnings. The collection,
13 storage and release of health care data that is subject to the health insur-
14 ance portability and accountability act (HIPAA) shall be governed by rules
15 adopted in 45 CFR parts 160 and 164.

16 (8) If further investigation is necessary to verify the accuracy of
17 information in reports submitted under the provisions of this section, the
18 department of health and welfare may further examine records and accounts
19 related to the reporting requirements of this section. The department of
20 health and welfare shall bear the cost incurred in connection with this
21 examination unless the department finds that the records examined are sig-
22 nificantly deficient or incorrect, in which case the department may charge
23 the cost of the investigation to the hospital or surgical center examined.
24 The department shall develop a procedure pursuant to chapter 52, title 67,
25 Idaho Code, for a hospital or surgical center to appeal any costs imposed
26 under the provisions of this subsection.

27 (9) The department of health and welfare shall have authority to pro-
28 mulgate rules to implement the provisions of this section.

29 (10) Any hospital or surgical center that fails to comply with the pro-
30 visions of this section may have its license subjected to a probationary pe-
31 riod, suspension or revocation by the department of health and welfare pur-
32 suant to chapter 13, title 39, Idaho Code.

33 SECTION 2. SEVERABILITY. The provisions of this act are hereby declared
34 to be severable and if any provision of this act or the application of such
35 provision to any person or circumstance is declared invalid for any reason,
36 such declaration shall not affect the validity of the remaining portions of
37 this act.

38 SECTION 3. An emergency existing therefor, which emergency is hereby
39 declared to exist, this act shall be in full force and effect on and after its
40 passage and approval.