

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 935 Health Care Price Transparency

**SPONSOR(S):** Health & Human Services Access Subcommittee; Corcoran and others

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1410

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health & Human Services Access Subcommittee	13 Y, 2 N, As CS	Poche	Schoolfield
2) Health & Human Services Committee		Poche	Gormley

### SUMMARY ANALYSIS

This bill amends s. 381.026, F.S., to allow a primary care physician (PCP) to publish a schedule of charges for medical services that are offered in the office of the PCP and to post this schedule in the reception area of the office in an area of at least 15 square feet. If a PCP posts a schedule of medical charges in the office, the bill requires the posting to include the 50 most frequently performed services. The bill provides an exemption from one two-year reporting cycle of continuing medical education credits for PCPs who post a schedule of medical charges.

The bill requires all estimates for medical treatment to be consistent with the posted schedule of medical charges, if the PCP posts a schedule of medical charges.

This bill applies to PCPs in the areas of family and general practice, general pediatrics and general internal medicine.

The bill does not appear to have a fiscal impact on state or local government.

The bill has an effective date of July 1, 2011.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Current Situation:**

##### **Florida Patient's Bill of Rights and Responsibilities**

In 1991, s. 381.026, F.S., enacted the Florida Patient's Bill of Rights and Responsibilities.<sup>1</sup> The statute established the right of patients to expect medical providers to observe standards of care in providing medical treatment and communicating with their patients.<sup>2</sup> The standards of care include, but are not limited to, the following aspects of medical treatment and patient communication:

- Individual dignity
- Provision of information
- Financial information and the disclosure of financial information
- Access to health care
- Experimental research
- Patient's knowledge of rights and responsibilities

Pursuant to the section relating to financial information and disclosure of financial information, a patient has the right to request certain financial information from health care providers and facilities.<sup>3</sup> Specifically, upon request, a health care provider or health care facility must provide a person with a reasonable estimate of the cost of medical treatment prior to the provision of treatment.<sup>4</sup> Estimates are required to be written in language "comprehensible to an ordinary layperson."<sup>5</sup> The reasonable estimate does not preclude the health care provider or health care facility from exceeding the estimate or making additional charges as the patient's needs or medical condition warrant.<sup>6</sup> A patient has the right to receive a copy of an itemized bill upon request and to receive an explanation of charges upon request.<sup>7</sup>

##### **Current Price Transparency for Health Care in Florida**

While a health care provider or health care facility is required to provide a reasonable estimate of charges for non-emergency medical treatment to a patient, there is no requirement that the estimate comply with posted charges for medical treatment. In fact, there is no statutory requirement that a physician post a schedule of his or her fees for medical services. However, several health care providers currently post their fees for a wide variety of medical services, including urgent care treatment, immunizations, and physical examinations.<sup>8</sup>

In addition, the Agency for Health Care Administration (AHCA) has established, by statute, the Florida Center for Health Information and Policy Analysis (the Center).<sup>9</sup> The Center was required to create "a comprehensive health information system to provide for the collection, compilation, coordination, analysis, indexing, dissemination, and utilization of both purposefully collected and extant health-

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<sup>1</sup> See s. 1, Ch.91-127, Laws of Fla. (1991).

<sup>2</sup> S. 381.026(3), F.S.

<sup>3</sup> S. 381.026(4)(c), F.S.

<sup>4</sup> S. 381.026(4)(c)3., F.S.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> S. 381.026(4)(c)5., F.S.

<sup>8</sup> See <http://www.solantic.com>, Solantic Walk-In Urgent Care Center with locations in Northeast Florida, Gainesville/Ocala, Orlando, Treasure Coast, and South Florida; <http://lwruc.com/selfpaycosts.shtml>, Lakewood Ranch Urgent Care Walk-In Clinic located in Bradenton, FL; <http://walkincliniccoralsprings.com/feeschedule.html>, Coral Medical Care Urgent Care/Walk-In Clinic located in Coral Springs, FL.

<sup>9</sup> S. 408.05, F.S.

related data and statistics.”<sup>10</sup> Specifically, the Center has developed a plan to make available to consumers health care quality measures and financial data of physicians, health care facilities, and other entities to enable the comparison of health care services.<sup>11</sup> The plan includes certain health care quality measures such as average patient charges, the average of undiscounted charges on frequently performed procedures and preventive diagnostic procedures, and a range of charges for procedures from highest to lowest.<sup>121314</sup>

### **Proposed Changes:**

This bill allows a PCP to publish and post a schedule of medical services that he or she provides, and the cost for each service, using three price levels. The charges posted must be those fees charged to an uninsured patient who is paying for medical treatment by cash, check, credit card or debit card. If the PCP posts a schedule, it must be posted in a conspicuous place in the reception area of the office in an area of 15 square feet or more. The schedule must list the 50 most frequently performed services provided by the PCP.

A PCP is defined in the bill as a health care provider who provides medical services to patients which are commonly provided without a referral from another health care provider. The definition includes physicians practicing in the fields of family and general medical practice, general pediatrics and general internal medicine.

The bill requires that an estimate of charges for medical treatment provided to a patient be consistent with the posted schedule of charges, if the PCP posts a schedule of charges pursuant to the bill.

The bill grants an exemption to a PCP, who posts a schedule of charges, from one two-year reporting cycle of continuing medical education credits.<sup>15</sup>

### **B. SECTION DIRECTORY:**

**Section 1:** Amends s. 381.026, F.S., relating to Florida Patient’s Bill of Rights and Responsibilities.

**Section 2:** Provides an effective date of July 1, 2011.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### **1. Revenues:**

None.

#### **2. Expenditures:**

None.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

#### **1. Revenues:**

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<sup>10</sup> S. 408.05(1), F.S.

<sup>11</sup> S. 408.05(3)(k), F.S.

<sup>12</sup> S. 408.05(3)(k)1., F.S.

<sup>13</sup> See 2009 Hospital Financial Data, AHCA, data compiled September 2, 2010- available at

[http://ahca.myflorida.com/MCHQ/CON\\_FA/Publications/index.shtml](http://ahca.myflorida.com/MCHQ/CON_FA/Publications/index.shtml) (includes the most recent financial data for hospitals, including costs of daily hospital services, ambulatory services, and other total patient charges)

<sup>14</sup> See <http://www.floridahealthfinder.gov/CompareCare/CompareFacilities.aspx> (provides the range of charges for specific procedures at various facilities throughout Florida, broken down by category, condition or procedure, and age group).

<sup>15</sup> S. 456.013(6), F.S.; see also Rule 64B8-13.005, F.A.C. and Rule 64B15-13.001, F.A.C.

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

PCPs who publish and post a schedule of medical charges under this bill will be exempt from one two-year reporting period of continuing medical education credits, resulting in savings to those PCPs equal to the cost of two years worth of continuing medical education credits.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 23, 2011, the Health and Human Services Access Subcommittee adopted one strike-all amendment. The amendment:

- Removes obstetrics and gynecology from the definition of “primary care provider” (PCP).
- Allows a PCP to publish and post a schedule of charges for medical services provided by the PCP, but does not require it.
- Requires the posting to be at least 15 square feet in size and posted in a conspicuous place in the reception area of the office.
- Requires at least 50 services most frequently provided by the PCP to be included in the posting.
- Allows a PCP to group services at three price levels, with a listing of services in each group.
- Exempts a PCP who posts a schedule of medical charges from the continuing medical education requirements for one two-year CME reporting cycle.
- Requires estimates of medical charges provided to a patient to be consistent with the posted schedule of medical charges, if the PCP decides to post the schedule of medical charges.

The bill was reported favorably as a Committee Substitute. The analysis reflects the Committee Substitute.