

Price Transparency



Background

The legislature spent significant time during the 2017 legislative session discussing how to increase transparency in health care. While most efforts failed, [Senate Bill \(SB\) 17-065](#) passed with bipartisan support and will help ensure “self-pay” prices of common health care services are accessible to the public. CHA actively supported this bill because it aligns with the Association’s transparency policy principles.

SB 17-065: Transparency in Direct Pay Health Care Prices

Under this law, health facilities will be required to conspicuously post “self-pay” prices for common inpatient and outpatient services, while physicians and other health professionals will be required to post prices for their most common health care services. Both facilities and individual providers must post notices encouraging patients with health insurance to consult with their insurer to determine their financial responsibility.

What You Need to Know

- By Jan. 1, 2018, all health care facilities are required to post the 50 most used diagnosis-related group (DRG) codes and the 25 most used current procedural terminology (CPT) codes or other codes accepted as national standards for billing.
- The posted information must be provided in a single document or made available on a facility’s website, which is updated annually or more frequent if necessary, and include:
 - Only codes of health care services or procedures that the facility used at least 11 times in the previous 12 months;
 - Plain English descriptions of services for which the prices are provided;
 - A disclosure specifying that the price for a specific service is an estimate and that the actual charges for the service depend on the circumstances at the time the service is rendered; and
 - The following statement or a statement containing substantially similar information:
 IF YOU ARE COVERED BY HEALTH INSURANCE, YOU ARE STRONGLY ENCOURAGED TO CONSULT WITH YOUR HEALTH INSURER TO DETERMINE ACCURATE INFORMATION ABOUT YOUR FINANCIAL RESPONSIBILITY FOR A PARTICULAR HEALTH CARE SERVICE PROVIDED AT THIS HEALTH CARE FACILITY. IF YOU ARE NOT COVERED BY HEALTH INSURANCE, YOU ARE STRONGLY ENCOURAGED TO CONTACT (INSERT OFFICE NAME AND TELEPHONE NUMBER) TO DISCUSS PAYMENT OPTIONS PRIOR TO RECEIVING A HEALTH CARE SERVICE FROM THIS HEALTH CARE FACILITY SINCE POSTED HEALTH CARE PRICES MAY NOT REFLECT THE ACTUAL AMOUNT OF YOUR FINANCIAL RESPONSIBILITY.

continued

- Facilities have significant leeway in determining exactly how information is posted. Facilities may – but are not required to – disclose the basis for its prices and may take into consideration all payer sources when determining a price. Also, facilities may determine the price during the previous 12 months as:
 - The price charged most frequently for the health care service;
 - The highest charge from the lowest half of all charges for the health care service; or
 - A range that includes the middle 50 percent of all charges for the health care service.
- It is important to remember that health facilities are not required to report prices to any agency for review, unless otherwise specified by existing law. Further, no government agency has the authority to approve, disapprove health care prices or changes to those prices.
- Individual health care providers are required to post their 15 most common procedures. More details regarding individual provider requirements can be found in the bill.

CHA Board of Trustees Resolution on Hospital Transparency

At its July 2017 meeting, the CHA Board of Trustees adopted a resolution in support of hospital transparency. The resolution builds on a prior resolution adopted in 2014 and recommends hospitals adopt the following policies and take the following actions:

- For Colorado residents with incomes above 250 percent of the Federal Poverty Level, hospitals should not ask patients to pay more than the average negotiated rate across private payers for emergency or other medically necessary care.
- In addition to the requirements of SB 17-065, as outlined above:
 - By October 2017, hospitals should post an average or range of facility fee charges for emergency department visits, categorized by acuity levels 1-5.
 - By December 2017, hospitals should post a list of average or range of charges for the most common outpatient diagnostic tests and procedures associated with emergency department visits.
- Hospitals should prominently display on their websites policies and procedures for patients to file a billing complaint or grievance.
- Hospitals should inform patients that patients may receive multiple bills for services provided in a hospital facility, and that physician, lab and radiology services (among others) may come from different entities and are owed separately from the hospital bill.

Additional Resources

- SB 17-065: [Final Bill](#) and [Fiscal Note](#)
- SB 17-065 will take effect on Jan. 1, 2018