



To: Senate Financial Institutions and Insurance Committee

From: Audrey Dunkel  
Vice President Financial Advocacy

Date: January 29, 2020

RE: Senate Bill 281

On behalf of the 124 community hospital members of the Kansas Hospital Association, I appreciate the opportunity to share with you our concerns on Senate Bill 281. The proposed legislation enacts the HealthCare Price Disclosure Act.

The Kansas Hospital Association is supportive of meaningful price transparency. The amount of information being requested of health care providers has grown tremendously over the past few years. While many of these programs are well-intended, the resources necessary to meet these requirements are somewhat demanding. The Kansas Hospital Association has developed a list of guiding principles to be considered when evaluating health care transparency programs. Among these principles include the responsibility that all parts of the health care industry be accountable for sharing information publicly regarding health care information. Another principle states that attempts should be made to avoid any unnecessary duplication of transparency efforts being conducted on the state and federal level. One of the most overlooked, but often costly, burdens placed on health care providers is the redundant reporting requirements of the same information to multiple sources. Towards that end, it appears Senate Bill 281 is duplicative of requirements recently approved on the federal level.

The Calendar Year 2020 Medicare Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Final Rule will go into effect on January 1, 2021. The rule enacts the President's Executive Order on Improving Price and Quality Transparency in American Healthcare to Put Patients First, which was signed on June 24, 2019. It adds to the existing federal transparency requirements that went into effect on January 1, 2019 directing hospitals to make public their charge master to patients in a machine-readable format. The rule redefines standard charges to include not just the charge master prices, but also gross charges, payer-specific negotiated rates, de-identified minimum and maximum negotiated rates and discounted cash price. This information must be provided for all items and services in a machine-readable format for consumers. In addition, it requires the disclosure of payer-specific rates for up to 300 "shoppable" bundles of services in a consumer-friendly format, 70 selected by CMS and 230 identified by the individual hospital.

In addition, Kansas hospitals continue to follow standard practice of providing estimates for the estimated cost of care upon a patient's request. Taken this approach into consideration as well as the recent federal rules surrounding health care pricing transparency, the Kansas Hospital Association does not believe Senate Bill 281 is necessary. Therefore, we respectfully request that the Senate Financial Institutions and Insurance Committee not take any action on Senate Bill 281.

Thank you for your consideration of our comments.