SENATE BILL No. 325

DIGEST OF SB 325 (Updated February 17, 2021 1:12 pm - DI 104)

Citations Affected: IC 16-21.

Synopsis: Hospital price disclosure requirements. Removes hospitals from certain state statutory health care services price disclosure posting requirements. Provides that if the federal Hospital Price Transparency Rule (federal rule) is repealed or stopped, a hospital shall continue to post pricing information in compliance with the federal rule as the federal rule was in effect on January 1, 2021. States that a hospital complies with price posting requirements by either meeting the state statutory requirements or the federal rule.

Effective: March 1, 2021 (retroactive).

Busch, Charbonneau

January 11, 2021, read first time and referred to Committee on Health and Provider Services.
February 18, 2021, amended, reported favorably — Do Pass.

First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

SENATE BILL No. 325

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1   SECTION 1. IC 16-21-17-0.5, AS ADDED BY P.L.93-2020,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 MARCH 1, 2021 (RETROACTIVE)]: Sec. 0.5. As used in this chapter,
4 "weighted average negotiated charge" means the amount determined
5 in STEP SIX of the following formula with respect to a particular
6 procedure:
7   STEP ONE: For each insurer with whom ~~the hospital or~~ an
8   ambulatory outpatient surgical center negotiates a charge for a
9   particular procedure, determine the percentage of the ~~hospital's~~
10   ~~patients or the~~ ambulatory outpatient surgical center's patients
11   insured by the insurer in the previous calendar year rounded to a
12   whole percentage.
13   STEP TWO: Multiply each percentage determined under STEP
14   ONE by one hundred (100) and express the results as whole
15   numbers so that the sum of the percentage points determined
16   under STEP ONE is one hundred (100).
17   STEP THREE: For a particular procedure, determine the amount

1   of the negotiated charge for the procedure for each insurer
2   described in STEP ONE.
3   STEP FOUR: For each insurer described in STEP ONE, multiply
4   the STEP THREE amount determined for a particular procedure
5   by the result determined under STEP TWO for that insurer.
6   STEP FIVE: For a particular procedure, determine the sum of the
7   amounts determined under STEP FOUR for all of the insurers
8   described in STEP ONE with respect to that procedure.
9   STEP SIX: For a particular procedure, determine the quotient of:
10   (A) the sum determined under STEP FIVE for that procedure;
11   divided by
12   (B) one hundred (100).
13   SECTION 2. IC 16-21-17-1, AS AMENDED BY P.L.93-2020,
14   SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15   MARCH 1, 2021 (RETROACTIVE)]: Sec. 1. (a) Not later than March
16   31, 2021, ~~a hospital and~~ an ambulatory outpatient surgical center shall
17   post on the Internet web site of the ~~hospital or~~ ambulatory outpatient
18   surgical center pricing and other information specified in this chapter
19   for the following:
20   (1) For as many of the seventy (70) shoppable services specified
21   in the final rule of the Centers for Medicare and Medicaid
22   Services published in 84 FR 65524 that are provided by the
23   hospital or ambulatory outpatient surgical center.
24   (2) In addition to the services specified in subdivision (1), the
25   thirty (30) most common services that are provided by the
26   ~~hospital or~~ ambulatory outpatient surgical center not included in
27   subdivision (1).
28   (b) **Subject to subsection (e),** the following information, to the
29   extent applicable, must be included on the Internet web site by ~~a~~
30   ~~hospital and~~ an ambulatory outpatient surgical center for the shoppable
31   and common services described in subsection (a):
32   (1) A description of the shoppable and common service.
33   (2) The weighted average negotiated charge per service per
34   provider type for each of the following categories:
35   (A) Any nongovernment sponsored health benefit plan or
36   insurance plan provided by a health carrier in which the
37   provider is in the network.
38   (B) Medicare, including fee for service and Medicare
39   Advantage.
40   (C) Self-pay without charitable assistance from the ~~hospital or~~
41   ambulatory outpatient surgical center.
42   (D) Self-pay with charitable assistance from the ~~hospital or~~

1	ambulatory outpatient surgical center.
2	(E) Medicaid, including fee for service and risk based
3	managed care.
4	**(c) If:**
5	**(1) the federal Hospital Price Transparency Rule is repealed;**
6	**or**
7	**(2) federal enforcement of the federal Hospital Price**
8	**Transparency Rule is stopped;**
9	**the state health commissioner shall notify the legislative council of**
10	**the occurrence referred to in subdivision (1) or (2) in an electronic**
11	**format under IC 5-14-6.**
12	**(d) This subsection takes effect when the legislative council**
13	**receives a notification from the state health commissioner under**
14	**subsection (c). A hospital shall post pricing information in**
15	**compliance with the federal Hospital Price Transparency Rule of**
16	**the federal Centers for Medicare and Medicaid Services as**
17	**published at 84 FR 65524 and in effect on January 1, 2021.**
18	**(e) A hospital complies with this section by posting the**
19	**information by either of the following means:**
20	**(1) As specified in subsection (b).**
21	**(2) As set forth in the final rule of the federal Centers for**
22	**Medicare and Medicaid Services published by 84 FR 65524**
23	**and in effect on January 1, 2021.**
24	SECTION 3. **An emergency is declared for this act.**

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 325, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE MARCH 1, 2021 (RETROACTIVE)]".

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 16-21-17-0.5, AS ADDED BY P.L.93-2020, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2021 (RETROACTIVE)]: Sec. 0.5. As used in this chapter, "weighted average negotiated charge" means the amount determined in STEP SIX of the following formula with respect to a particular procedure:

STEP ONE: For each insurer with whom ~~the hospital or~~ an ambulatory outpatient surgical center negotiates a charge for a particular procedure, determine the percentage of the ~~hospital's patients or the~~ ambulatory outpatient surgical center's patients insured by the insurer in the previous calendar year rounded to a whole percentage.

STEP TWO: Multiply each percentage determined under STEP ONE by one hundred (100) and express the results as whole numbers so that the sum of the percentage points determined under STEP ONE is one hundred (100).

STEP THREE: For a particular procedure, determine the amount of the negotiated charge for the procedure for each insurer described in STEP ONE.

STEP FOUR: For each insurer described in STEP ONE, multiply the STEP THREE amount determined for a particular procedure by the result determined under STEP TWO for that insurer.

STEP FIVE: For a particular procedure, determine the sum of the amounts determined under STEP FOUR for all of the insurers described in STEP ONE with respect to that procedure.

STEP SIX: For a particular procedure, determine the quotient of:
(A) the sum determined under STEP FIVE for that procedure; divided by
(B) one hundred (100).".

Page 1, line 3, strike "a hospital".
Page 1, line 4, strike "and".

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Page 1, line 5, strike "hospital or".
Page 1, line 12, reset in roman "thirty (30)".
Page 1, line 12, delete "two hundred thirty (230)".
Page 1, line 13, strike "hospital or".
Page 1, line 15, delete "The" and insert "**Subject to subsection (e), the**".
Page 1, line 16, strike "a hospital and".
Page 2, line 10, strike "hospital or".
Page 2, line 12, strike "hospital or".
Page 2, delete lines 16 through 22, begin a new paragraph and insert:
"**(c) If:**
   (1) the federal Hospital Price Transparency Rule is repealed; or
   (2) federal enforcement of the federal Hospital Price Transparency Rule is stopped;
the state health commissioner shall notify the legislative council of the occurrence referred to in subdivision (1) or (2) in an electronic format under IC 5-14-6.

   (d) This subsection takes effect when the legislative council receives a notification from the state health commissioner under subsection (c). A hospital shall post pricing information in compliance with the federal Hospital Price Transparency Rule of the federal Centers for Medicare and Medicaid Services as published at 84 FR 65524 and in effect on January 1, 2021.

   (e) A hospital complies with this section by posting the information by either of the following means:
   (1) As specified in subsection (b).
   (2) As set forth in the final rule of the federal Centers for Medicare and Medicaid Services published by 84 FR 65524 and in effect on January 1, 2021.
SECTION 3. **An emergency is declared for this act.**".
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 325 as introduced.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 10, Nays 0.

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