FIRST REGULAR SESSION

HOUSE BILL NO. 617

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FREDERICK.

1115L.01I D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 197, RSMo, by adding thereto two new sections relating to health care transparency.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 197, RSMo, is amended by adding thereto two new sections, to be known as sections 197.170 and 197.173, to read as follows:

197.170. 1. This section and section 197.173 shall be known as the "Health Care Cost Reduction and Transparency Act".

2. As used in this section and section 197.173 the following terms shall mean:

(1) "Ambulatory surgical center", a health care facility as such term is defined under section 197.200;

(2) "Department", the department of health and senior services;

(3) "DRG", diagnosis related group;

(4) "Health carrier", an entity as such term is defined under section 376.1350;

(5) "Hospital", a health care facility as such term is defined under section 197.020;

(6) "Public or private third party", includes the state, the federal government, employers, health carriers, third-party administrators, and managed care organizations.

3. The department of health and senior services shall make available to the public on its internet website the most current price information it receives from hospitals and ambulatory surgical centers under section 197.173. The department shall provide this information in a manner that is easily understood by the public and meets the following minimum requirements:

EXPLANATION — Matter enclosed in bold-faced brackets **[**thus**]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

(1) Information for each hospital shall be listed separately and hospitals shall be listed in groups by category as determined by the department in rules adopted under section 197.173;

(2) Information for each hospital outpatient department and each ambulatory surgical center shall be listed separately.

4. Any data disclosed to the department by a hospital or ambulatory surgical center under section 197.173 shall be the sole property of the hospital or center that submitted the data. Any data or product derived from the data disclosed under section 197.173, including a consolidation or analysis of the data, shall be the sole property of the state. The department shall not allow proprietary information it receives under section 197.173 to be used by any person or entity for commercial purposes.

197.173. 1. Beginning with the quarter ending June 30, 2016, and quarterly thereafter, each hospital shall provide to the department, utilizing electronic health records software, the following information about the one hundred most frequently reported admissions by DRG for inpatients as established by the department:

(1) The amount that will be charged to a patient for each DRG if all charges are paid in full without a public or private third party paying for any portion of the charges;

(2) The average negotiated settlement on the amount that will be charged to a patient required to be provided in subdivision (1) of this subsection;

(3) The amount of Medicaid reimbursement for each DRG, including claims and pro rata supplemental payments;

(4) The amount of Medicare reimbursement for each DRG;

(5) For the five largest health carriers providing payment to the hospital on behalf of insureds and state employees, the range and the average of the amount of payment made for each DRG. Prior to providing this information to the department, each hospital shall redact the names of the health carrier and any other information that would otherwise identify the health carriers.

A hospital shall not be required to report the information required by this subsection for any of the one hundred most frequently reported admissions where the reporting of that information reasonably could lead to the identification of the person or persons admitted to the hospital in violation of the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") or other federal law.

2. Beginning with the quarter ending September 30, 2016, and quarterly thereafter, each hospital and ambulatory surgical center shall provide to the department, utilizing electronic health records software, information on the total costs

for the twenty-five most common surgical procedures and the twenty most common imaging procedures, by volume, performed in hospital or outpatient settings or in ambulatory surgical centers, along with the related current procedural terminology ("CPT") and healthcare common procedure coding system ("HCPCS") codes. Hospitals and ambulatory surgical centers shall report this information in the same manner as required by subsection 1 of this section, provided that hospitals and ambulatory surgical centers shall not be required to report the information required by this subsection where the reporting of that information reasonably could lead to the identification of the person or persons admitted to the hospital in violation of HIPAA or other federal law.

3. Upon request of a patient for a particular DRG, imaging procedure, or surgery procedure reported in this section, a hospital or ambulatory surgical center shall provide the information required by subsection 1 or 2 of this section to the patient in writing, either electronically or by mail, within three business days after receiving the request.

4. (1) The department shall promulgate rules on or before March 1, 2016, to ensure that subsection 1 of this section is properly implemented and that hospitals report this information to the department in a uniform manner. The rules shall include all of the following:

(a) The one hundred most frequently reported DRGs for inpatients for which hospitals must provide the data set out in subsection 1 of this section;

(b) Specific categories by which hospitals shall be grouped for the purpose of disclosing this information to the public on the department's internet website.

(2) The department shall promulgate rules on or before June 1, 2016, to ensure that subsection 2 of this section is properly implemented and that hospitals and ambulatory surgical centers report this information to the department in a uniform manner. The rules shall include the list of the twenty-five most common surgical procedures and the twenty most common imaging procedures, by volume, performed in a hospital outpatient setting and those performed in an ambulatory surgical facility, along with the related CPT and HCPCS codes.

(3) Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2015, shall be invalid and void.

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