

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Budget Subcommittee on Health and Human Services Appropriations

BILL: CS/SB 1410

INTRODUCER: Health Regulation Committee and Senator Negrón

SUBJECT: Health Care Price Transparency

DATE: April 11, 2011 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|----------|----------------|-----------|------------------|
| 1. | Stovall | Stovall | HR | Fav/CS |
| 2. | Bradford | Hansen | BHA | Favorable |
| 3. | _____ | _____ | BC | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

The bill amends the Patient’s Bill of Rights to authorize a primary care provider to publish a schedule of charges for the medical services that the provider offers to patients. As an incentive to posting the schedule, the primary care practitioner is exempt from the general continuing education requirements for a single 2-year period. If posted, the schedule is to include the prices charged to an uninsured person paying by cash, check, credit card, or debit card for at least the 50 services most frequently provided by that primary care provider.

If a person requests an estimate of charges for medical services before the services are provided, the estimate by a primary care provider must be consistent with the posted schedule.

This bill has no fiscal impact on state or local government. Primary care physicians may incur an indeterminate cost to post and maintain the schedule of charges in the reception area. However, this cost might be offset by the savings due to the exemption from continuing education requirement.

This bill substantially amends s 381.026, Florida Statutes

II. Present Situation:

The Florida Patient's Bill of Rights and Responsibilities

The Florida Patient's Bill of Rights and Responsibilities¹ is intended to promote better communication and eliminate misunderstandings between the patient and health care provider or health care facility.² The rights of patients include: standards related to individual dignity; information about the provider, facility, diagnosis, treatments, risks, etc.; financial information and disclosure; access to health care; experimental research; and patient's knowledge of rights and responsibilities. Patient responsibilities include giving the provider accurate and complete information regarding the patient's health, comprehending the course of treatment and following the treatment plan, keeping appointments, fulfilling financial obligations, and following the facility's rules and regulations affecting patient care and conduct.

Currently under the financial information and disclosure provisions:

- A health care provider or health care facility must disclose to a Medicare-eligible patient when requested whether the provider or facility accepts Medicare payment as full payment for medical services and treatment rendered in the provider's office or health care facility;
- A health care provider or health care facility is required to furnish to a person, upon request, an estimate of charges for medical services before providing the services. In addition, a health care provider or health care facility must provide an uninsured person, before planned nonemergency medical services, a reasonable estimate of the charges for the medical services and information regarding the provider's or facility's discount or charity policies for which the uninsured person may be eligible. These estimates are required to be written in a language that is comprehensible to an ordinary layperson. However, the provider or facility may exceed the estimates or make additional charges based on changes in the patient's condition or treatment needs;
- A licensed facility must place a notice in its reception area that financial information related to that facility is available on the Agency for Health Care Administration's (Agency) website;³
- The facility may indicate that the pricing information is based on a compilation of charges for the average patient and that an individual patient's charges may vary; and
- A patient has the right to receive an itemized bill and explanation of the charges upon request.

Health care providers and health care facilities are required to make available to patients a summary of their rights. The applicable regulatory board or the Agency may impose an

¹ Section 381.026, Florida Statutes.

² A health care facility is a facility licensed under ch. 395, F.S., and a health care provider means a physician, osteopathic physician, or a podiatric physician licensed under chapters 458, 459, or 461, respectively.

³ The Florida Center for Health Information and Policy Analysis (Florida Center) within the Agency is responsible for collecting, compiling, analyzing, and disseminating health-related data and statistics. The information is published on the FloridaHealthFinder website at <http://www.floridahealthfinder.gov>. This website currently discloses and allows price comparisons for certain inpatient and outpatient procedures in licensed health care facilities and certain prescription drugs. Long-range plans include the availability of similar price comparisons for physician services. See s. 408.05(3)(k), F.S.

administrative fine when a provider or facility fails to make available to patients a summary of their rights.⁴

III. Effect of Proposed Changes:

Section 1 amends s. 381.026, F.S., relating to the Florida Patient's Bill of Rights and Responsibilities, to authorize a primary care provider, as defined in the bill, to publish a schedule of charges for the medical services that the provider offers. If a primary care provider publishes and maintains the schedule, then he or she is exempt from the general continuing education requirements that are applicable to all health care practitioners and rules implementing those requirements for a single 2-year period.

If posted, the schedule of charges must include the prices that the provider charges to an uninsured person paying by cash, check, credit card, or debit card. The schedule of charges must be posted in a conspicuous place in the reception area of the provider's office and at least 15 square feet in size. Additionally, the schedule must include at least 50 services that are most frequently provided by that primary care provider. Rather than listing a price for each individual service, the schedule may group the services by three price levels, listing the services in each price level.

The bill defines a primary care provider as a medical physician licensed under ch. 458, F.S., an osteopathic physician licensed under ch. 459, F.S., or a podiatric physician licensed under ch. 461, F.S., who provides medical services to patients which are commonly provided without referral from another health care provider. The types of providers include those who practice family medicine, general medicine, general pediatrics, or general internal medicine.

The bill requires that the estimate of charges furnished by a primary care provider pursuant to a request from an uninsured person before the medical services are provided must be consistent with the schedule posted in the reception area.

Section 2 provides an effective date of July 1, 2011.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Section 24(a) and (b) of the Florida Constitution.

⁴ Section 381.0261, F.S.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. **Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The primary care physicians may incur an indeterminate cost to post and maintain the schedule of charges in the reception area. However, this cost might be offset by the savings due to the exemption from continuing education requirement. Uninsured patients of primary care physicians will have ready access to the charges for certain health care services provided by that physician's office.

C. Government Sector Impact:

None.

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

None.

VIII. **Additional Information:**

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Health Regulation on April 4, 2011:

Removes obstetricians and gynecologists from the definition of primary care provider; provides for the size of the posting and contents; makes the posting optional rather than mandatory; provides an exemption from general continuing education requirements for a single 2-year period for posting the schedule; and removes the disciplinary authority for not posting (with Title amendment).

B. Amendments:

None.