

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Health Regulation Committee

BILL: SB 1756
 INTRODUCER: Senator Posey
 SUBJECT: Health Care Providers/Patient Fees
 DATE: March 17, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Munroe	Wilson	HR	Pre-meeting
2.	_____	_____	BI	_____
3.	_____	_____	HA	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill requires a health care provider to charge each uninsured patient having a net household income of less than \$125,000 the lowest fee for the service for which the physician has agreed to accept as full payment for the same service when all or a portion of the payment for that same service is made through an insurer.

This bill amends section 408.50, Florida Statutes.

II. Present Situation:

According to federal government estimates, approximately 46 million Americans are uninsured.¹ There are about 2.6 to 2.9 million Floridians who are uninsured.² Between 1999 and 2004, the number of number and proportion of Floridians without health insurance increased. According to a 2004 study, about 81.5 percent of the uninsured people in Florida are working-aged adults.³ According to the U.S. Bureau of Labor Statistics, the mean annual income for all occupations in Florida is \$34,420.

¹ See DeNavas-Walt, Carmen, Bernadette D. Proctor, and Cheryl Hill Lee. "Income, Poverty, and Health Insurance Coverage in the United States: 2004." Current Population Reports P60-229 (Washington, DC: U.S. Department of Commerce, Economics and Statistics Administration, August 2005), <www.census.gov/prod/2005pubs/p60-229.pdf> (last visited March 17, 2007) as quoted in CoverTheUninsured.org, a project of the Robert Wood Johnson Foundation at <<http://covertheuninsured.org>> (Last visited on March 17, 2007).

² See Duncan, et al., "Comparative Findings from the 1999 and 2004 Florida Health Insurance Studies, Department of Health Services Research, Management and Policy, University of Florida (August 2005).

³ See Duncan, et al., "A Profile of Uninsured Floridians: Findings from the 2004 Florida Health Insurance Study," Department of Health Services Research, Management and Policy, University of Florida (February 2005).

Consumer groups have voiced concerns regarding hospital pricing. The uninsured are often asked to pay full charges, while the insurers pay discounted negotiated fees for the insured for the same procedure.⁴ The Centers for Medicare and Medicaid Services within the U.S. Department of Health and Human Services provides hospital payment information for thirty common elective procedures and other hospital admissions.⁵ This website also provides information on common elective procedures at ambulatory surgery centers and common hospital outpatient and physician services. Medicare regulations require hospitals to keep a uniform price list for treatments and procedures for all patients, regardless of whether patients are covered by public or private insurance or are uninsured.

III. Effect of Proposed Changes:

The bill requires a health care provider to charge each uninsured patient having a net household income of less than \$125,000 the lowest fee for the service for which the physician has agreed to accept as full payment for the same service when all or a portion of the payment for that same service is made through an insurer.

The effective date of the bill is upon the bill becoming a law.

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.

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. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

⁴ See "Hospitals: Is the Price Right?" CBS News, March 5, 2006 and "Hospitals' Hidden Condition: Medical Pricing" by Harry Wessel, Orlando Sentinel (March 12, 2007).

⁵ See Centers for Medicare and Medicaid Services website at: http://www.cms.hhs.gov/HealthCareConInit/01_Overview.asp (last visited on March 17, 2007).

B. Private Sector Impact:

Some uninsured individuals who would have been subject to higher costs for health care services may benefit from the bill's limitation on the fees that health care providers may charge for their services. Health care providers would have limitations set on the fees they charge.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill requires a health care provider to limit the provider's fee charges for uninsured patients to the lowest fee which the *physician* has agreed to accept from an insurer. It is unclear whether the bill's limitation on what may be charged by a health care provider is limited to physician charges. Part II, chapter 641, F.S., relating to the regulation of health maintenance organizations defines "provider" to mean any physician, hospital, or other institution, organization, or person that furnishes health care services and is licensed or otherwise authorized to practice in Florida. The bill does not provide a definition of "health care provider."

The bill requires a health care provider to charge uninsured patients a specified charge for the provider's services. It is unclear whether this would prevent the provision of charity care to the uninsured because a health care provider may only charge a specific fee for the provider's services. In the alternative, the bill could specify that the provider charge "*no greater than the lowest fee for a . . . made through an insurer.*"

Some health care plan advocates argue that the bill's limitation on fees that a health care provider may charge uninsured patients may be a disincentive for such providers to negotiate with health insurance plans.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
