

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 Committee on Governmental Oversight and Accountability

BILL: CS/SB 1836

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Bean

SUBJECT: Health Insurance and Prescription Drug Coverage

DATE: February 18, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McVaney	McVaney	GO	Fav/CS
2.			AEG	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1836 requires the Florida Center for Health Information and Transparency to publish annually a report identifying health care services with the most significant price variation both statewide and regionally.

The Shared Savings Program that may be offered by health insurers and health maintenance organizations is modified to include additional “shoppable” options and to expand the incentives that may be offered to include cash and cash equivalents.

The bill is not expected to impact state revenues or expenditures.

The bill takes effect January 1, 2021.

II. Present Situation:

Price Transparency in Florida

Florida Center for Health Information and Transparency

The Florida Center for Health Information and Transparency (the Florida Center), housed within the Agency for Health Care Administration (AHCA), provides a comprehensive health

information system (information system) that includes the collection, compilation, coordination, analysis, indexing, dissemination, and utilization of health-related data.¹

The Florida Center identifies existing health-related data and collects data for use in the information system, including information on health care costs and financing, trends in health care prices and costs, the sources of payment for health care services, and federal, state, and local expenditures for health care.²

Florida Consumer Price Portal

The Florida Center maintains www.FloridaHealthFinder.gov, which was established by law in 2016³, to assist consumers in making informed health care decisions and lead to improvements in quality of care in Florida. The website provides a wide array of search and comparative tools to the public which allow easy access to information on hospitals, ambulatory surgery centers, emergency departments, hospice providers, physician volume, health plans, nursing homes, and prices for prescription drugs in Florida.

The cost information on the website is searchable, and based on descriptive bundles of commonly performed procedures and services. Consumers can view typical payments⁴ for common medical procedures and diagnostic tests, with information presented at both statewide and local levels. In other words, a patient in Tampa can see recent prices paid for a chest x-ray at local facilities and a statewide average price. The consumer search tool is accessible at <https://pricing.floridahealthfinder.gov/#!>.

The website also provides tools to researchers and professionals allowing for specialized data queries, but requires users to have some knowledge of medical coding and terminology.⁵ Some of the features and data available on the website include a multimedia encyclopedia and symptoms navigator, hospital and ambulatory surgery centers performance data, data on mortality, complication, and infection rates for hospitals, and a facility/provider locator.⁶

Patient Savings Act

In 2019, the Legislature enacted the Patient Savings Act⁷ (Act), which allows (but does not mandate) health insurers and health maintenance organizations (HMOs) to create a shared savings incentive program (Shared Savings Program) to encourage insured individuals to shop for high quality, lower cost health care services and share any savings realized as a result of the

¹ Section 408.05(1), F.S.

² Section 408.05(2), F.S.

³ Chapter 2016-234, L.O.F.; *see also* s. 408.05(3), F.S.

⁴ The website provides information on *payments* for services, and not facility *charges*. Very few patients or insurers actually pay the full charge for a service, so reporting of payments provides a more accurate estimate of costs that patients and/or their health plans can expect to incur.

⁵ Agency for Health Care Administration, Florida Center for Health Information and Policy Analysis, *2017 Annual Report*, pgs. 4-8, available at <https://fhfstore.blob.core.windows.net/documents/researchers/documents/2017%20FL%20Center%20Annual%20Report%20FINAL.PDF> (last accessed February 13, 2020).

⁶ *Id.*, pgs. 6-8.

⁷ Sections 627.6387, 627.6648, and 641.31076, F.S.

insured's choice. The Act authorizes implementation of these incentive programs for plan years beginning January 1, 2020.

Health insurers and HMOs that choose to offer a Shared Savings Program must develop a website outlining the range of shoppable health care services available to insureds. This website must provide patients with an inventory of participating health care providers and an accounting of the shared savings incentives available for each shoppable service. The Act provides a list of nonemergency services that qualify as "shoppable health care services". These include, but are not limited to:

- Clinical laboratory services.
- Infusion therapy.
- Inpatient and outpatient surgical procedures.
- Obstetrical and gynecological services.
- Outpatient nonsurgical diagnostic tests and procedures.
- Physical and occupational therapy services.
- Radiology and imaging services.
- Prescription drugs.
- Services provided through telehealth.

The Act defines a "shared savings incentive" as an optional financial incentive that may be paid to an insured for choosing certain shoppable health care services under a Shared Savings Program. When a patient obtains a shoppable health care service for less than the average price for the service, the bill requires the savings to be shared by the health insurer and the patient. A patient is entitled to a financial incentive that is no less than 25 percent of the savings that accrue to the insurer as a result of the patient's participation.

The law provides a range of methods by which a Shared Savings Program may financially reward patients who save money by shopping for health care services. Patients may receive financial incentives in the form of premium reductions, or deposits into a flexible spending account, health savings account, or health reimbursement account.⁸

III. Effect of Proposed Changes:

Section 1 amends s. 408.05, F.S., to require the Florida Center for Health Information and Transparency to publish annually a report identifying health care services with the most significant price variation both statewide and regionally.

Section 2 amends s. 627.6387, F.S., to expand the list of shoppable health care services to include any additional services identified by the Florida Center for Health Information and Transparency which commonly have a wide price variation. In addition, the incentives that may be offered to those insureds using shoppable health services is expanded to include cash or cash equivalents.

Section 3 amends s. 627.6648, F.S., to expand the list of shoppable health services to include any additional services identified by the Florida Center for Health Information and Transparency

⁸ Section 627.6387, F.S.

which commonly have a wide price variation. In addition, the incentives that may be offered to those insureds using shoppable health services is expanded to include cash or cash equivalents.

Section 4 amends s. 641.31076, F.S., to expand the list of shoppable health services to include any additional services identified by the Florida Center for Health Information and Transparency which commonly have a wide price variation. In addition, the incentives that may be offered to those insureds using shoppable health services is expanded to include cash or cash equivalents.

The bill takes effect July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Not applicable. The bill does not require counties or municipalities to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. None. Statutes Affected:

This bill substantially amends sections 408.05, 627.6387, 627.6648, and 641.31076 of the Florida Statutes.

This bill creates sections 465.203 and 627.4435 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

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

CS by Governmental Oversight and Accountability on February 17, 2020:

- Removes all references and changes to the State Group Insurance Health Program.
- Retains the “shoppable health services” as a voluntary program that may be offered by health insurers and HMOs. The incentives available under this program are expanded to include cash and cash equivalents.
- Requires the Florida Center for Health Information and Transparency to publish annually a report identifying health care services with the most significant price variation both statewide and regionally.

B. Amendments:

None.