

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1760

S.P. 698

In Senate, February 4, 2014

**An Act To Implement the Recommendations of the Commission To
Study Transparency, Costs and Accountability of Health Care
System Financing**

Reported by Senator GRATWICK of Penobscot for the Joint Standing Committee on Insurance and Financial Services pursuant to Joint Rule 353.

Reference to the Committee on Insurance and Financial Services suggested and ordered printed pursuant to Joint Rule 218.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 22 MRSA §1718**, as repealed and replaced by PL 2009, c. 71, §3, is
3 amended to read:

4 **§1718. Consumer information**

5 Each hospital or ambulatory surgical center licensed under chapter 405 shall, upon
6 request by an individual, provide the average charge for any inpatient service or
7 outpatient procedure provided by the licensee. For emergency services, the hospital must
8 provide the average charges for facility and physician services according to the level of
9 emergency services provided by the hospital and based on the time and intensity of
10 services provided. The hospital or ambulatory surgical center shall prominently display a
11 notice informing individuals of an individual's authority to request information on the
12 average charges described in this paragraph from the hospital or ambulatory surgical
13 center.

14 **Sec. 2. 22 MRSA §1718-A**, as enacted by PL 2013, c. 332, §1 and affected by §3,
15 is amended to read:

16 **§1718-A. Consumer information regarding health care practitioner prices**

17 Each health care practitioner, as defined in section 1711-C, subsection 1, paragraph
18 F, shall maintain a price list of the health care practitioner's most frequently provided
19 health care services and procedures. The prices stated must be the prices that the health
20 care practitioner charges clients directly, when there is no insurance coverage for the
21 services or procedures or when reimbursement by an insurance company is denied. The
22 prices stated must be accompanied by the applicable standard medical codes listed by
23 diagnosis. For purposes of this section, "frequently provided health care services and
24 procedures" means those health care services and procedures that were provided by the
25 health care practitioner at least 50 times in the preceding calendar year. Health care
26 practitioners shall inform clients about the availability of the price list and provide copies
27 of the price list upon request. Health care practitioners shall ~~make available written~~
28 ~~information on health claims data that may be obtained through the publicly accessible~~
29 ~~website of the Maine Health Data Organization established pursuant to chapter 1683~~
30 prominently display in a location that is readily accessible to clients information on the
31 price transparency tools available from the publicly accessible website of the Maine
32 Health Data Organization established pursuant to chapter 1683 to assist consumers with
33 obtaining estimates of costs associated with health care services and procedures. Health
34 care practitioners shall make printed copies of the information described in this paragraph
35 available to clients upon their request. This section does not apply to pharmacists.

36 **Sec. 3. 22 MRSA §1718-B** is enacted to read:

37 **§1718-B. Individualized health care cost estimate**

38 Upon the request of a client, each health care practitioner and health care facility, as
39 defined in section 1711-C, subsection 1, paragraphs F and D, respectively, shall provide
40 an individualized cost estimate for the client's anticipated health care services and

1 procedures that must include all health care charges that the practitioner or facility
2 reasonably anticipates to charge directly to the client. For purposes of this section, "cost
3 estimate" includes the practitioner's or facility's costs at the unit for which services and
4 procedures are billed, as well as any negotiated discounts, and any costs reasonably
5 anticipated to be charged by that practitioner or facility for the client associated with a
6 service or procedure, including hospital, physician, pharmacy and laboratory fees, and
7 must identify the client's out-of-pocket cost. The cost estimate must be accompanied by a
8 description of the service or procedure and the applicable standard medical codes or
9 current procedural terminology code.

10 **Sec. 4. 22 MRSA §8704, sub-§7**, as amended by PL 2011, c. 494, §8, is further
11 amended to read:

12 **7. Annual report.** The board shall prepare and submit an annual report on the
13 operation of the organization and the Maine Health Data Processing Center as authorized
14 in Title 10, section 681, including any activity contracted for by the organization or
15 contracted services provided by the center, with resulting net earnings, as well as on
16 collaborative activities with other health data collection and management organizations
17 and stakeholder groups on their efforts to improve consumer access to health care quality
18 and price information and price transparency initiatives, to the Governor and the joint
19 standing committee of the Legislature having jurisdiction over health and human services
20 matters and the joint standing committee of the Legislature having jurisdiction over
21 insurance and financial services matters no later than February 1st of each year. The
22 report must include an annual accounting of all revenue received and expenditures
23 incurred in the previous year and all revenue and expenditures planned for the next year.
24 The report must include a list of persons or entities that requested data from the
25 organization in the preceding year with a brief summary of the stated purpose of the
26 request.

27
28 **SUMMARY**

29 This bill implements the recommendations of the Commission To Study the
30 Transparency, Costs and Accounting of Health Care System Financing. The bill requires
31 health care practitioners and health care facilities to provide clients, upon request, with an
32 individualized cost estimate for anticipated health care services associated with that
33 specific entity's services. It directs health care practitioners to expand public awareness
34 of the Maine Health Data Organization and its website by displaying at practitioners'
35 offices information on the Maine Health Data Organization and how consumers can
36 become more informed of the costs associated with health care procedures. It amends the
37 laws governing the information that hospitals and ambulatory surgical centers are
38 required to make available to consumers by adding a requirement that these entities
39 prominently display a notice informing consumers of their ability to request and receive
40 information on the average charges for any inpatient service or outpatient procedure
41 provided by the hospital or center upon request. It amends the annual statutory reporting
42 requirement for the Maine Health Data Organization to include language requiring the
43 Maine Health Data Organization to include in its report an update on its collaborative

1 efforts with other health data organizations to improve consumer access to information on
2 health care quality and price and health care transparency initiatives in this State. The bill
3 also amends the statutory provisions governing the Maine Health Data Organization
4 annual report to require that the joint standing committee of the Legislature having
5 jurisdiction over insurance and financial services matters, in addition to the joint standing
6 committee of the Legislature having jurisdiction over health and human services matters,
7 be provided with the annual report.