

FIRST REGULAR SESSION

# SENATE BILL NO. 46

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOLSMAN.

Pre-filed December 1, 2014, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0630S.011

## 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:**

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

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

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

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

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

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

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

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

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

21 A hospital shall not be required to report the information required by  
22 this subsection for any of the one hundred most frequently reported  
23 admissions where the reporting of that information reasonably could  
24 lead to the identification of the person or persons admitted to the

25 hospital in violation of the federal Health Insurance Portability and  
26 Accountability Act of 1996 ("HIPAA") or other federal law.

27       2. Beginning with the quarter ending September 30, 2016, and  
28 quarterly thereafter, each hospital and ambulatory surgical center shall  
29 provide to the department, utilizing electronic health records software,  
30 information on the total costs for the twenty most common surgical  
31 procedures and the twenty most common imaging procedures, by  
32 volume, performed in hospital outpatient settings or in ambulatory  
33 surgical centers, along with the related current procedural terminology  
34 ("CPT") and healthcare common procedure coding system ("HCPCS")  
35 codes. Hospitals and ambulatory surgical centers shall report this  
36 information in the same manner as required by subsection 1 of this  
37 section, provided that hospitals and ambulatory surgical centers shall  
38 not be required to report the information required by this subsection  
39 where the reporting of that information reasonably could lead to the  
40 identification of the person or persons admitted to the hospital in  
41 violation of HIPAA or other federal law.

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

48       4. (1) The department shall promulgate rules on or before March  
49 1, 2016, to ensure that subsection 1 of this section is properly  
50 implemented and that hospitals report this information to the  
51 department in a uniform manner. The rules shall include all of the  
52 following:

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

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

59       (2) The department shall promulgate rules on or before June 1,  
60 2016, to ensure that subsection 2 of this section is properly  
61 implemented and that hospitals and ambulatory surgical centers report

62 this information to the department in a uniform manner. The rules  
63 shall include the list of the twenty most common surgical procedures  
64 and the twenty most common imaging procedures, by volume,  
65 performed in a hospital outpatient setting and those performed in an  
66 ambulatory surgical facility, along with the related CPT and HCPCS  
67 codes.

68 (3) Any rule or portion of a rule, as that term is defined in  
69 section 536.010, that is created under the authority delegated in this  
70 section shall become effective only if it complies with and is subject to  
71 all of the provisions of chapter 536, and, if applicable, section  
72 536.028. This section and chapter 536 are nonseverable and if any of  
73 the powers vested with the general assembly pursuant to chapter 536,  
74 to review, to delay the effective date, or to disapprove and annul a rule  
75 are subsequently held unconstitutional, then the grant of rulemaking  
76 authority and any rule proposed or adopted after August 28, 2015, shall  
77 be invalid and void.

Bill ✓

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