

Hospital Price Transparency

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF _____:

Section 1. CONSUMER PROTECTION RELATING TO HOSPITAL PRICE TRANSPARENCY.

Subdivision 1. **Background regarding federal requirements for price transparency in hospitals.**

- (a) Section 1001 of the "Patient Protection and Affordable Care Act Of 2010", Pub.L. 111-148, as amended by Section 10101 of the "Health Care And Education Reconciliation Act Of 2010", Pub.L. 111-152, amended Title XXVII of the "Public Health Service Act", Pub.L. 78-410, in part, by adding a new section 2718(e), requiring, in part, that each hospital operating within the United States establish, update, and make public a list of the hospital's standard charges for the items and services that the hospital provides;
- (b) Effective January 1, 2021, the federal centers for Medicare and Medicaid services published the final rule to implement the law, codified at 45 CFR 180;
- (c) In its summary of the final rule, CMS states that information on hospital standard charges is necessary for the public to "make more informed decisions about their care" and that the "impact of these final policies will help to increase market competition, and ultimately drive down the cost of health care services, making them more affordable for all patients";
- (d) On July 9, 2021, President Biden, building upon efforts of past presidents, issued the "Executive Order on Promoting Competition in the American economy", directing the Secretary of the United States Department of Health and Human Services to support new and existing price transparency initiatives for hospitals.

Subd. 2. **Definitions.**

- (1) "Collection Action" means any of the following actions taken with respect to a debt for items and services that were purchased from or provided to a patient by a hospital on a date during which the hospital was not in material compliance with hospital price transparency laws.
- (2) "Hospital Price Transparency Laws" means Section 2718(e) of the "Public Health Service (PHS) Act", Pub.L. 78-410, as amended, and rules adopted by the United States Department of Health and Human Services implementing Section 2718(e).
- (3) "Items and Services" or "Items or Services" means "Items and Services" as defined in 45 CFR 180.20.

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- (4) “Consumer” means the patient that receives treatment from a hospital or the patient’s guardian.
- (5) “Material Compliance” means information regarding the cost of items or services provided by a hospital must be available:
 - (a) As a comprehensive machine-readable file with all items and services listed; and
 - (b) As a display of shoppable services in a consumer-friendly format.

Subd. 3. General provision.

- (1) A hospital that is not in material compliance with hospital price transparency laws on the date that items or services are purchased from or provided to a patient by the hospital shall not initiate or pursue a collection action against the patient or patient guarantor for a debt owed for the items or services.
- (2) A patient or patient guarantor is not responsible for the cost of items or services provided to the patient by the hospital if the hospital was not in material compliance with hospital price transparency laws on a date on or after the effective date of this section that items or services were purchased on or provided to the patient.
- (3) A hospital shall directly inform the patient or patient guarantor about the machine-readable file and the display of shoppable services and provide information to easily locate the display.

Subd. 4. EFFECTIVE DATE. _____