



Tom Bell
President and CEO

TO: Senate Public Health and Welfare Committee

FROM: Chad Austin
Senior Vice President, Government Relations

DATE: February 10, 2015

RE: Senate Bill 122

The Kansas Hospital Association appreciates the opportunity to comment on Senate Bill 122, which places certain patient notification requirements on hospitals that charge a facility fee. With us today are Tierney Grasser, Senior Vice President/Chief Financial Officer and Cathy Wiens, Vice President/Compliance of Olathe Medical Center in Olathe, Kansas.

The subject of transparency in general, and health care pricing specifically, has been an issue of policy discussion and development for our membership over the past several years. Throughout these discussions, our members have been firm in their belief that as we move towards a more consumer-driven health care marketplace that transparency of all health care data will be a key component for consumers, employers and policy makers. Towards that end, the Kansas Hospital Association supported the legislature's passage of the Predetermination of Health Care Benefits Act (House Bill 2668) last year. This legislation begins to provide patients, upon their request, the necessary tools to obtain pertinent information regarding their out-of-pocket expenses for health care services.

Senate Bill 122 includes provisions that require hospitals to notify patients when they are receiving treatment in a provider-based department. Included in the Code of Federal Regulations is a Medicare regulation that requires hospitals to provide public awareness of provider-based status.

42 CFR 413.65(d)(4) *Public awareness. The facility or organization seeking status as a department of a provider, a remote location of a hospital, or a satellite facility is held out to the public and other payers as part of the main provider. When patients enter the provider-based facility or organization, they are aware that they are entering the main provider and are billed accordingly.*

As a result of this regulation, it is our experience that Kansas hospitals are already informing patients that they may be receiving multiple bills. This information is communicated to patients through signage as well as written information in the patient's admission consent forms. This notice is provided to ALL patients, not just the Medicare patients. Another concern that we share regarding Senate Bill 122 is the requirement to supply

estimates of financial responsibility to all patients, including those individuals being treated in the emergency department. This is extremely challenging due to the inherent unknowns of the condition of the patient and appropriate treatment that is needed in an unscheduled setting.

Hospitals understand that patients must be educated concerning the complex and varying billing regulations that are part of the health care reimbursement system. Senate Bill 122 is well intended, and absent of the current Medicare requirements and the legislature's passage of House Bill 2668 last year, may be worthy of consideration. However, we believe further legislation which imposes more extensive and duplicated requirements on healthcare providers is not warranted.

Therefore, for the above reasons, we cannot support Senate Bill 122. Thank you for your consideration of our comments.