Legislative Attorneys transforming ideas into legislation.

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MEMORANDUM

To: Chairman Sutton and the House Committee on Insurance

From: Office of Revisor of Statutes

Date: March 18, 2024

Subject: HB 2825: Enacting the consumer protection related to hospital price transparency act.

HB 2825 would enact four new provisions of law, named the enacting the consumer protection related to hospital price transparency act and amend K.S.A. 50-626, the Kansas consumer protection act.

Section 1 of the bill provides the name and citation to the act and defines the term "hospital."

Section 2 states that, pursuant to 45 C.F.R. § 180, each hospital operating in the United States is required to provide clear, accessible pricing information online about the items and services that each such hospital provides. This section then places requirements and specifies how each hospital in Kansas shall fulfill the federal requirement.

Section 3 of the bill states that the attorney general shall have the authority to enforce the provisions of the act. If the attorney general were to find that a hospital is noncompliant with the provisions of the act, then such hospital would be fined \$250 per day it is out of compliance. Further, noncompliance with the act is deemed to be an unlawful or deceptive trade practice under the Kansas consumer protection act, which could potentially result in further penalties pursuant to the provisions of that act.

Section 4 states that a hospital shall not undertake a collection action against a patient or the patient's guarantor if the hospital is not in material compliance with this act. If a patient believes that a hospital was not in material compliance with this act on the date that items or services were purchased or provided to the patient, then the patient may file a civil suit against the hospital and the hospital would be prohibited from instigating any collection action during the time the lawsuit is pending. This section also sets remedies, should the court find that the hospital was materially out of compliance with the act. These remedies include: requiring the hospital to refund the payor any amount that the payor has paid, plus a penalty; move to dismiss, with prejudice, any collection action undertaken and pay any attorney costs incurred by the patient or the patient guarantor; cause to be removed from the patient or the patient guarantor's credit report any report made to a consumer reporting agency, relating to the debt.

Section 5 amends the Kansas consumer protection act, to add noncompliance with this act as an unlawful or deceptive act to the list of items also considered unlawful or deceptive practices.