



TO: Senate Public Health and Welfare Committee

FROM: Tish Hollingsworth  
Vice President of Reimbursement

DATE: February 2, 2016

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.

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 (2014: House Bill 2668), which is effective in 2017. 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 an *existing* 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 when they enter a provider-based facility that they may be receiving multiple bills for services rendered. This information is communicated to patients through signage in the facility 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, and would also divert critical

hospital staff time and expertise needed to provide emergency treatment to patients. Furthermore, hospitals are already compelled by law (EMTALA) to provide services for emergency medical conditions regardless of the ability to pay.

Hospitals understand that patients must be educated concerning the complex and varying billing regulations that are part of the health care reimbursement system. Helping patients understand the types of services they will receive and potential out-of-pocket costs are important to ensuring positive patient experiences at our hospitals. Since the hearing last year on Senate Bill 122, KHA has provided additional communication and education to our member hospitals to ensure that proper notification is being provided. Absent the current Medicare requirements and the legislature's passage of House Bill 2668 in 2014, Senate Bill 122 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.