



RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

May 24, 2016

Re: Transparency in Health Care Legislation Effective July 1, 2016

Governor Scott has signed into law House Bill 1175 regarding Transparency in Health Care. The new law includes several provisions affecting the regulation of licensed providers and is effective July 1, 2016. Full text of the bill can be found at: <http://www.flsenate.gov/Session/Bill/2016/1175/BillText/er/PDF>.

The bill makes changes to several chapters of law including 395 and 408, F.S., relating to the licensure of hospitals and ambulatory surgical centers; activities of the Agency's Florida Center for Health Information and Policy Analysis; and transparency of health care costs.

The following highlight key components:

- The bill requires the Agency for Health Care Administration (AHCA) to contract with a vendor for an all-payer claims database (APCD), which provides an online, searchable method for consumers to compare provider price and quality, and a Florida-specific data set for price and quality research purposes. The bill requires insurers and HMOs to submit data to the APCD, under certain conditions.
- The bill creates pre-treatment transparency obligations on hospitals, ambulatory surgical centers, healthcare practitioners providing non-emergency services in these facilities, and insurers and HMOs. Facilities must post online the average payments and payment ranges received for bundles of health care services defined by AHCA. This information must be searchable by consumers. Facilities must provide, within 7 days of a request, a written, good faith, personalized estimate of charges, including facility fees, using either bundles of health care services defined by AHCA or patient-specific information. Failure to provide the estimate results in a daily licensure fine of \$1,000, up to \$10,000. Facilities must inform patients of health care practitioners providing their nonemergency care and these practitioners must provide the same type of estimate, subject to a daily fine of \$500, up to \$5,000. Facilities and facility practitioners must publish information on their financial assistance policies and procedures. Insurers and HMOs must create online methods for patients to estimate their out-of-pocket costs, both using the service bundles established by AHCA and based on patient-specific estimates using the personalized estimate the patient obtains from facilities and practitioners. In addition, diagnostic-imaging centers owned by a hospital but located off of the premises must publish and post charges for services pursuant to s. 395.107, F.S., which currently requires urgent care centers to do the same.
- Post-treatment, facilities must provide an itemized bill within 7 days of discharge, meeting certain requirements for comprehension by a layperson, and identifying any providers who may bill separately for the care received in the facility.



- The bill makes several changes to the Florida Center for Health Information and Policy Analysis, which is the health care data collection unit of AHCA. The bill changes the Center's name, and streamlines the Center's functions by eliminating obsolete language, redundant duties, and unnecessary functions.
- The bill provides an effective date of July 1, 2016.

Questions and Answers

The following information is provided in response to questions from hospital and ambulatory surgical center representatives.

Website Requirements - 395.301, F.S. is amended

1. Are facilities required to have a website?

A: The legislation requires certain information to be published on each facility's website, and does not specifically allow for exemptions in cases where a website does not exist.

2. How will the Agency develop and define the service "bundles" referenced in the bill?

A: Service bundles will be defined by the Agency through rule.

3. The new requirements to make certain information available on websites become effective July 1st. Will the service bundles be defined by July 1st in order for facilities to be able to meet this requirement in time?

A: The Agency will not penalize a facility for failure to provide or link to information that is not yet available.

4. Can the requirement to provide pricing information be satisfied by only linking to the internet platform established by the Agency and vendor; or are they required to post the detailed information as well as link to the Agency's website?

A: The facility may meet this requirement by including a hyperlink on its website to the internet platform created by the vendor.

5. Can the requirement to provide specific financial policy information and details on contracted vendors be satisfied by providing printed materials to patients and prospective patients?

A: The bill requires this information to be published on the facility's website. This may be supplemented with printed materials distributed to patients.

6. When posting information about contract providers and medical groups who may bill the patient separately, will facilities be required to list each individual practitioner within a provider group or is it sufficient to provide just the main contact information for their business office?

A: For a patient to determine whether the contracted provider is an in-network provider, and to request an estimate of costs, the billing office information is sufficient.

7. Does the information posted regarding financial policies and contract providers need to be specific by physical location or can it address the system as a whole?

Note: House Bill 221 also modified chapter 395, F.S. to require posting of the contracting health plans.

A: The information is required to be published for each licensed facility.

8. How old is the quality data published by the Agency that facilities are required to link to?

A: The Agency currently publishes quality indicators for a limited number of services. These indicators are calculated using the administrative discharge datasets submitted by licensed hospitals and ASCs each quarter. Facilities must certify the submission no more than 5 months from the end of the calendar quarter. The quality metrics from the data are typically posted within 12 weeks of certification.

Pre-Treatment cost estimates - 395.301, F.S. is amended

9. How will the Agency define “Facility Fees” in relation to the requirement to define them on pre-treatment estimates and post-treatment bills? Will the Agency define this in rule?

A: The statute is self-implementing requiring any facility fee to be disclosed as part of the full, itemized bill. If the need to define specific fees becomes necessary, rules may be considered.

Penalty for failure to provide timely cost estimate - 395.301, F.S. is amended

10. How will the Agency accept and process consumer complaints and associated fines for failure to provide timely cost estimates?

A: The Agency will utilize the existing process for receipt and investigation of complaints, and fines for non-compliance.

Post-Treatment Itemized Statement or Bill - 395.301, F.S. is amended

11. How much itemization is sufficient for post-treatment statements/bills?

A: The statute is self-implementing requiring specific disclosures and prohibiting generalizations. If the need to define specific requirements becomes necessary, rules may be considered.

12. The new law requires the itemized statement/bill to reflect amounts owed by the patient, and is required to be provided within 7 days of discharge, but claims may not yet be processed by the insurance companies so the patient's cost-sharing portion may not be known. How shall this be addressed in the itemized statement?

A: The itemized statement must include all information that is available to the facility at the time the statement or bill is produced.

13. The bill requires either the Brand or Generic name of any drugs administered to the patient be displayed on the bill, instead of any coding system (e.g. NDC, HCPCS/CPT code, CDM, RxNorm, etc.). Since there are many differences between brand vs. generic, will the Agency provide a definition of which to use?

A: The requirement to list drugs by brand or generic name is in existing statute. The bill should refer to the drugs provided by name rather than code.

Billing disputes/resolution - 395.301, F.S. is amended

14. What specific information must be provided to the patient, and how, in the event the billing dispute cannot be resolved?

A: Facilities will be expected to assist the patient or representative in determining which entity has appropriate oversight of the specific issue that is unable to be resolved on a case-by-case basis, and to provide adequate information for the patient to contact that entity.

Pre-Treatment Cost Estimates – Other Providers - 395.107, F.S. is amended

15. What is meant by “not located on the hospital's premises” and how will this relate to the requirement to post charges, as the services and charges may be different between the main hospital and any imaging or urgent care centers?

A: An urgent care center or diagnostic imaging center that does not meet the definition of “premises” as defined in Section 395.002, Florida Statutes, must meet all of the posting requirements, including a statement to insured patients regarding differences based on location.

16. Lines 370-373 require the text notifying the patient of the schedule of charges shall be in a font size equal or greater than the font size used for “prices” and must be in contrasting color. Does prices mean the same as charges in this provision?

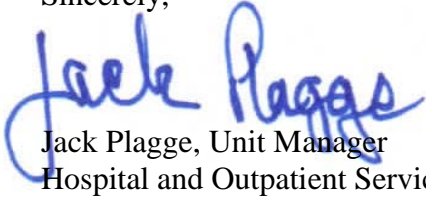
A: In this context the price refers to the charge-master rate referenced earlier in the sentence.

17. Where specifically in the facilities is the schedule of charges required to be posted?

A: Currently, Chapter 395.107, Florida Statutes, requires that “the schedule must be posted in a conspicuous place in the reception area.” This requirement is unchanged by the new law.

If you have any questions please contact the Hospital and Outpatient Services Unit by phone at 850-412-4549 or by email at Hospitals@ahca.myflorida.com.

Sincerely,

A handwritten signature in blue ink that reads "Jack Plagge". The signature is written in a cursive style with a large initial "J".

Jack Plagge, Unit Manager
Hospital and Outpatient Services Unit