

HCS HB 1837 -- HOSPITAL PRICING PRACTICES

SPONSOR: McMullen

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on General Laws by a vote of 9 to 4 and 3 voting Present. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 7 to 2 and 1 present.

The following is a summary of the House Committee Substitute for HB 1837.

This bill prohibits a hospital, or a person or entity collecting on behalf of the hospital, from initiating or pursuing collection actions against a patient or patient guarantor, for debt incurred by the patient on a date or dates of service when the hospital was not in material compliance with Federal hospital price transparency laws.

If a patient believes that a hospital was not in material compliance with price transparency laws, the patient or patient guarantor may file a lawsuit. If a judge or jury finds the hospital out of material compliance with Federal hospital price transparency laws, the hospital:

- (1) Is subject to a penalty equal to the amount of the debt;
- (2) Must refund any amount paid on the debt;
- (3) Must dismiss any court action initiated by the hospital;
- (4) Pay attorney fees and costs the patient or patient guarantor incurred relating to the action; and
- (5) Must remove any report made to a consumer reporting agency relating to the debt from the patient's or guarantor's credit report.

Nothing in the bill:

- (1) Prohibits a hospital from billing a patient, patient's guarantor, or third-party payer, including a health insurer, for items or services provided to the patient; or
- (2) Requires a hospital to refund a payment made to the hospital for items or services provided to a patient, so long as no collection action is taken in violation of this bill.

Additionally, any patient who pays a bill received from the hospital that charges the patient for items or services in an amount that exceeds the price of the items or services published by the hospital in accordance with hospital transparency laws thereof may bring a civil action in circuit court against the hospital and recover the difference between what had been paid by the patient and the price of the items or services published by the hospital in accordance with hospital transparency laws.

This bill is similar to HB 1161 (2023).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

**PROPONENTS:** Supporters say that this legislation would establish enforceable guidelines for standard charges charged by hospitals. Hospital costs, such as procedures costs, should be listed online for the patient's perusal. If costs differ from what was listed online, the patient does not have to pay differing fees and the hospital cannot go through collections to collect on the difference between the listed price and what was eventually charged. Proponents say that forcing hospitals to list their prices allows patients to price shop so they can find the most affordable option available to them. The current system allows for a price system that is too varied and does not allow the patient to make an educated choice for which hospital or service is right for them. Price transparency ensures patients are better informed about what the procedure is going to cost and gives the patient options rather than forcing the patient into a procedure that they cannot ultimately afford. Supporters further state that hospitals in the state are taking too long to comply with the Federal mandate for hospital price transparency.

Testifying in person for the bill were Representative McMullen; Elias Tsapelas, Show Me Institute; Patrick Neville; St. Louis Area Business Health Coalition; American Action Fund; Cicero Action; Missouri Century Foundation; and Linda Ragsdale.

**OPPONENTS:** Those who oppose the bill say that this bill unfairly targets hospitals. Hospitals are doing their best to adhere to the Federal Price Transparency Mandate, but it is not easy to implement. The percentage of hospitals that adhere to the mandate is much higher than what is being portrayed. The main hurdle concerning mandate compliance is the cost. The cost for implementing price transparency is, at a minimum, 31% of all healthcare spending. Opponents further state that what is considered material compliance is not clear in the bill. Hospitals are already facing daunting costs and many hospitals are close to

financial ruin. The current cost of doing business may be what is causing the delay in adhering with the Federal Price Transparency Mandate. If hospitals can't afford to address more pressing needs, they certainly can't afford to implement a price transparency system. Finally, hospital pricing is not the same as pricing for other products or services. Every patient is different and it is nearly impossible to list a uniform price for a service because every procedure varies based on each individual patient's needs.

Testifying in person against the bill were Mercy; Mosaic Life Care/BJC; St. Luke's Health System; University of Missouri Healthcare; and the Missouri Hospital Association.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.