



Price Transparency Toolkit

Introduction

In 2019, hospitals are required to comply with two new laws/rules related to price transparency. The purpose of this toolkit is to provide hospitals and their physician practices with information on the new requirements, recommendations for compliance, and resources to support price transparency.

Information in this toolkit will assist hospital members in understanding the CMS rule and the Alaska legislative requirement and communicating with patients about the chargemaster and related price transparency issues.

CMS Federal rule

On Jan. 1, 2019 a new federal rule goes into effect that requires hospitals to post their “standard charges” on the hospital’s website in a “machine readable” format. All hospitals operating within the United States are required to establish (and update) and make public a list of their standard charges for all items and services provided by the hospital. The information from CMS is silent on whether tribally hospitals are required to comply with the rule. The information states ALL hospitals and specifically mentions this includes critical access hospitals and psychiatric hospitals.

Alaska price transparency requirements - SB 105

At the end of 2018 legislative session, the provisions from HB 123: Disclosure of Health Care Costs were rolled into SB105. ASHNHA worked extensively with the sponsor on the price transparency provisions to ensure it would be workable for hospitals. The legislation includes requirements for health care facilities and providers to annually compile a list of the 10 health care services most commonly performed from each of the six sections of CPT codes including undiscounted price. Facilities operated by Alaska tribal organizations are exempt. This information needs to be posted in the facility, posted on a website and submitted to DHSS. Bill also includes requirements for providing good faith estimates upon request and prohibits municipalities from enacting separate price transparency ordinances.

The legislation is effective in January 2019, however regulations have not yet been issued to provide guidance to facilities and providers on how to comply with the law.

The following statement has been posted as a [public notice](#).

Alaska’s new health care price transparency law (AS 18.23.400) will be effective in January 2019. The law requires health care providers and facilities to post the prices of their most common procedures. The State of Alaska’s Department of



Health and Social Services will allow health care providers and facilities more time to comply with the law.

Pursuant to the enforcement discretion granted to the Alaska Department of Health and Social Services (DHSS) in AS 18.23.400(k), DHSS is announcing the following regarding the posting and publication of health care procedure prices and provision of good faith estimates under AS 18.23.400:

DHSS will not impose a penalty on any health care provider or health care facility for failure to comply with AS 18.23.400(a) – (f), requiring price collection, posting, and reporting to DHSS, beginning January 1, 2019 and continuing until implementing regulations are in effect.

DHSS expects that health care facilities, providers, and insurers will comply with AS 18.23.400(g)-(i), requiring provision of good faith estimates on request to patients, beginning on January 1, 2019. However, DHSS will not impose a penalty on any health care facilities, providers, or insurers for failure to comply with AS 18.23.400(g)-(i) until implementing regulations are in effect.



CMS Final 2019 IPPS Rule Price Transparency Provision

On August 2, 2018, the Centers for Medicare & Medicaid Services published its final inpatient prospective payment system, or IPPS, [rule](#) (see pages 2135-2142) for federal fiscal year 2019. The IPPS rule contains a transparency provision.

Effective January 1, 2019, hospitals will be required to make available to the public their “standard charges” via the Internet in a “machine-readable” format and update this information at least annually. CMS’ new rule builds on an earlier requirement established under the Affordable Care Act for hospitals to make their standard charges for items and services publicly available. The agency had not previously required standard hospital charges to be available in a machine-readable format, nor had it required that the list be posted on a public-facing website. Instead, hospitals could meet prior guidance by providing charges upon request.

Background - The Affordable Care Act and the 2015 IPPS Final Rule

The Affordable Care Act included a requirement for all hospitals to establish, update and make public a list of the hospital’s “standard charges” for items and services provided by the hospital, including for Diagnosis Related Groups, DRGs. This information is to be made available each year.

CMS, in the 2015 final rule issued guidelines for how hospitals should comply with this requirement, including the following two options:

1. Make public a list of the hospital’s “standard charges” (whether that is the chargemaster itself or in another form of its choice); or
2. Make public the hospital’s policies for allowing the public to view those charges in response to an inquiry

In the 2015 rule, CMS indicated hospitals could satisfy the ACA requirement by posting information on the internet but did not make that method a requirement, concluding that “hospitals are in the best position to determine the exact manner and method by which to make the list public...”

2019 Final IPPS Rule

In its proposed and final 2019 IPPS rules, CMS acknowledged chargemaster data are “not helpful to patients for determining what they are likely to pay for a particular service or hospital stay.” However, to continue moving the needle on price transparency, the final rule requires hospitals to make available a list of their current “standard charges” via the internet in a machine-readable format and to update it at least annually. This requirement can be met in the form of the chargemaster itself or another form of the hospital’s choice if it is in machine-readable format.

Difference Between 2015 and 2019 Rules

The 2019 IPPS final rule requires the information to be made available via the internet in machine-readable format, while the 2015 IPPS final rule gave the hospital options for how to make “standard charges” available to the public.



Additional CMS Guidance

CMS recently published [Frequently Asked Questions](#) that provides some additional guidance, including:

- Hospitals may choose the format to present their “standard charges” to the public, as long as the information represents the current “standard charges as reflected on its chargemaster.”
- “Machine-readable format” is a format that can be imported/read into a computer system. Examples of “machine-readable format” are XML and CSV. Word and PDF formats are not acceptable.
- The requirement applies to all hospitals and all items and services provided by the hospital.
- CMS has also clarified that the requirement applies to Critical Access Hospitals, Sole Community Hospitals, Inpatient Rehabilitation Facilities and Inpatient Psychiatric Hospitals.
- No mention of tribally operated hospitals has been made by CMS.
- Compliance with a state-level price transparency initiative is not sufficient to satisfy the federal requirements.

Posting Standard Charges for Diagnosis-Related Groups (DRG)

In the second set of FAQs, CMS clarified that IPPS hospitals also must make public their “standard charges” for each DRG and points to data on the CMS website as a potential format for hospitals to use (for more information, see the FAQ included on resource list page 11).

The format for standard charges for each diagnosis-related group is the hospital’s choice. CMS posts information regarding inpatient charges for subsection (d) hospitals at <https://www.cms.gov/ResearchStatistics-Data-and-Systems/Statistics-Trends-and-Reports/Medicare-Provider-ChargeData/Inpatient.html>. Subsection (d) hospitals may, but are not required to, use this format with respect to the additional requirement that the hospital establish (and update) and make public a list of the hospital’s standard charges for each diagnosis-related group established under section 1886(d)(4) of the Social Security Act.

Presentation of “Standard Charges”

Hospitals have inquired about what information must be included with the hospital’s standard charges. Some hospitals have suggested that if this information is to be truly helpful to patients at all, it should be presented in a way to minimize the extraneous information that could confuse patients.

Therefore, some hospitals are considering eliminating the CPT codes, HCPCS codes, revenue code, and other extraneous information in the chargemaster and only including the fields for the description of the service and the charge. Because the rule only requires the “standard charges” as reflected in the chargemaster to be included, it appears hospitals would be in compliance with the requirement if they include only the description of the service and the associated charge.

Use of Current Procedural Terminology (CPT) Codes.

Some hospitals have asked whether posting the chargemaster will require a new licensing arrangement with the American Medical Association (AMA), which owns the copyright to the CPT codes. According to the AMA, “organizations that have a valid and current CPT license for their chargemaster (which typically is a component of a revenue cycle management system) are permitted to post their chargemaster for the limited purpose of complying with the 2019 IPSS/LTCH final rule, effective Jan. 1, 2019 (i.e., solely to the



extent necessary to make available a list of their current standard charges via the internet in a machine readable format and to update this information at least annually, or more as appropriate). Organizations that do not have a current license for their revenue cycle management system which uses CPT content, please contact the AMA <http://info.commerce.ama-assn.org/ama-data-file-request-0-0>.”

Use of UB-04 Revenue Codes

While not required, providers could choose to publish a list of charges that contains UB-04 Revenue codes for the purpose of complying with the new guidance. This would not be in violation of current license agreements; however, it does require that the AHA copyright notice found [here](#) be posted for reference. For questions regarding licensure for other uses, please contact ub04@aha.org.

Resources related to CMS requirements

Disclaimer text

Sample text for use with the chargemaster posting. Hospitals should edit to meet their needs.

The information provided [*link or below, customize to your hospital*] is a comprehensive list of charges for each inpatient and outpatient service or item provided by a hospital, also known as a chargemaster. It is not a helpful tool for patients to comparison shop between hospitals or to estimate what health care services are going to cost them out of their own pocket. For more information about the cost of your care, please contact our patient financial services staff [*customize contact to your hospital*].

AHA Regulatory Advisory on CMS Price Transparency

https://images.magnetmail.net/images/clients/AHA_MCHF/attach/2018/December/AHA_RegulatoryAdvisory_on_Transparency_12112018.pdf



Alaska Price Transparency Requirements SB 105 Disclosure of Health Care Costs

At the end of the 2018 legislative session, the provisions from HB 123: Disclosure of Health Care Costs were rolled into [SB105](#). ASHNSHA worked extensively with the sponsor on the price transparency provisions to ensure it would be workable for hospitals. Sponsored by Rep Ivy Sponholtz, the legislation is seen as a first step towards more transparency of health care costs. The sponsor's statement says, "...empowers consumers to make informed decisions about their health care options by ensuring accessible information on medical pricing."

The price transparency legislation includes three separate requirements impacting different entities:

1. Health care facilities and providers must annually compile a list of the 10 health care services most commonly performed from each of the six sections of CPT codes including undiscounted price. This information needs to be posted in the facility, posted on a public website, and submitted to DHSS.
2. The Alaska Department of Health and Social Services (DHSS) must accept and publish prices provided by health care facilities and providers and enforce the bill provisions.
3. Health care providers, facilities and insurance companies must provide good faith estimates for specific procedures upon request.

The legislation also includes a provision that a municipality may not enact or enforce an ordinance that is inconsistent with or imposes health care price or fee disclosure requirements in addition to the requirements under this section or regulations.

The full language included in the statute can be found in this toolkit on pages 14-17. The following offers more details on the three requirements.

1. Publicly disclose and post charges

Health care providers and facilities are to publicly post an annual list of undiscounted charges of the top 10 health care services most commonly performed in the prior year in each of six sections of Category I, Current Procedural Terminology (CPT).

CPT Category 1 sections adopted by the American Medical Association include:

- Codes for evaluation and management: 99201-99499
- Codes for anesthesia: 00100-01999; 99100-99150
- Codes for surgery: 10000-69990
- Codes for radiology: 70000-79999
- Codes for pathology and laboratory: 80000-89398
- Codes for medicine: 90281-99099; 99151-99199; 99500-99607

The information must include a brief description of the health care services in plain language that an individual with no medical training can understand along with the procedure code, undiscounted charges, and any facility fees for each health care service. The information must be posted in a font no smaller than 20 points in a conspicuous public reception area at the health care provider's office or health care facility where the services are performed. The posting shall also include the following:



- A statement like the following: ***"You will be provided with an estimate of the anticipated charges for your nonemergency care upon request. Please do not hesitate to ask for information."***
- A list of health care insurers which the provider or facility is an in-network preferred provider
- It may also include a statement explaining that the undiscounted charges may be different from the amount that an individual actually pays

The law requires the list to be posted and submitted to the state once a year by January 31.

Who is required to disclose prices?

Health care providers such as an individual licensed, certified, or otherwise authorized or permitted by law to provide health care services. Health care providers in group practices are exempt if the health care group/facility compiles and publishes a list for the group practice, and the prices and fees that the provider charges are reflected in the list.

Health care facilities include private/municipal/state hospitals, psychiatric hospital, emergency department, independent diagnostic testing facility, residential psychiatric treatment center, kidney disease treatment center (including freestanding hemodialysis units), office of a private physician or dentist, ambulatory surgical center, free-standing birth center, and rural health clinic.

Who is exempt from the requirements?

Exempt from the requirements are the following: Alaska Pioneers' Home and the Alaska Veterans' Home administered by DHSS; assisted living homes; a nursing facility licensed by DHSS to provide long-term care; a facility operated by an Alaska tribal health organization; and a hospital operated by the United States Department of Veterans Affairs or the United States Department of Defense, or any other federally operated hospital or institution.

1. DHSS enforcement

The law requires providers and facilities to post charges by January 31 of each year. The law authorizes a civil penalty for non-compliance of no more than \$100 per day for each day after March 31st in which the list is not produced/posted, and not to exceed up to \$10,000.

2. Good faith estimates

This bill has additional requirements for providers, facilities and insurers to provide an estimate of the reasonably anticipated charges for treating a patient's specific condition upon request. This applies to nonemergency health care services only.

The law requires a good faith estimate to be provided within 10 days after receiving the request in whatever format the patient requests: orally, in writing, or electronic. The provider, facility, or insurer is not required to disclose prices for the total anticipated course of treatment. Any partial estimate must include an explanation that the estimate only includes prices for a portion of the total anticipated course of treatment. The estimate may include a range of charges if the charges may vary based on the condition.

The estimate must include:

- a brief description in plain language that an individual with no medical training can understand of the health care services, products, procedures, and supplies that are included in the estimate;
- the in-or out-of-network status of the provider or facility (see sample wording below).



- the procedure code for each health care service.
- facility fees and explanation
- the identity of any person that may charge the patient for a service, product, procedure, or supply included in the estimate.

Network status notice:

- "(Name of health care provider or health care facility) is a contracted, in-network preferred provider for ONLY the following plan networks: (list each network or state 'NONE. YOU MAY INCUR OUT-OF-NETWORK CHARGES.')"
- "(Name of health care provider or 1 health care facility) is a contracted, in-network preferred provider for your insurance plan."
- "(Name of health care provider or health care facility) is NOT a contracted, in-network preferred provider for your insurance plan. YOU MAY INCUR OUT-OF-NETWORK CHARGES."; (3) the procedure code for each health care service included in the estimate;

A provider or facility that provides a good faith estimate to a patient is not liable for damages or other relief if the estimate differs from the amount actually charged to the patient.

Confidential Information

Health care price data provided to DHSS should not have any personal identifying information (PII). Nothing in the law asks for any information with personal identifiers. However, DHSS encourages providers, facilities, and insurers to ensure nothing construed as PII are included. (i.e. names, birthdates, addresses, credit card numbers, driver license numbers, medical records, or social security numbers).

Health care price data reported under this legislation are considered public information subject to public retention records. Price postings will be posted on the DHSS website, and backed up in DHSS electronic records for seven years.



Compliance with the state price transparency law

The information provided in this toolkit is based on the actual language in the legislation, however, many questions remain on details related to compliance and enforcement. ASHNHA has engaged with the DHSS with questions on details not outlined in the legislation to help providers and facilities understand how to comply.

Public Notice of Alaska's Health Care Price Transparency Law

On December 21, 2018, a [public notice](#) of the price transparency law was published.

Alaska's new health care price transparency law (AS 18.23.400) will be effective in January 2019. The law requires health care providers and facilities to post the prices of their most common procedures. The State of Alaska's Department of Health and Social Services will allow health care providers and facilities more time to comply with the law.

Pursuant to the enforcement discretion granted to the Alaska Department of Health and Social Services (DHSS) in AS 18.23.400(k), DHSS is announcing the following regarding the posting and publication of health care procedure prices and provision of good faith estimates under AS 18.23.400:

DHSS will not impose a penalty on any health care provider or health care facility for failure to comply with AS 18.23.400(a) – (f), requiring price collection, posting, and reporting to DHSS, beginning January 1, 2019 and continuing until implementing regulations are in effect.

DHSS expects that health care facilities, providers, and insurers will comply with AS 18.23.400(g)-(i), requiring provision of good faith estimates on request to patients, beginning on January 1, 2019. However, DHSS will not impose a penalty on any health care facilities, providers, or insurers for failure to comply with AS 18.23.400(g)-(i) until implementing regulations are in effect.

***If you have any questions regarding this notice, please contact Mr. Clint J. Farr by e-mail at clint.farr@alaska.gov or Triptaa Surve at triptaa.surve@alaska.gov.

DHSS work group webinar on price transparency law

On November 20, 2018, DHSS held a workgroup webinar to share information on the law and discuss questions and concerns with providers and facilities. Documents shared at this meeting are available on page 8 of the toolkit.

Below is a summary of the information DHSS has shared.

Regulations

DHSS acknowledges that there will not be any regulations to follow for the January 31, 2019 deadline. They hope to provide some guidance in December on how to submit price listings. They are also exploring providing a request for extension form for providers or facilities to submit if needed.

DHSS price website posting



DHSS anticipates facilities and providers will send an email of a PDF version of their price posting to a DHSS email address. DHSS will provide a website with links to PDF copies of health care provider and facility submittals. The list will be:

- divided by individual providers and facilities,
- listed in alphabetical order,
- display physical address of the provider or facility

The text of the names and addresses will be a clickable link that takes the viewer to a PDF document of the price list posting. PDFs will be posted as submitted. DHSS will not modify the submittals.

Enforcement

DHSS may impose a penalty for failure to comply with:

1. Price postings and reporting for each day of noncompliance after March 31 of each reporting year.
2. Good faith estimates for each day of noncompliance

Enforcement may occur using a complaint-based method.

For providers and facilities who do not send DHSS a price posting in an acceptable format the following is a likely scenario:

1. DHSS will notify by certified letter and give 60 days to correct the issue.
2. If DHSS still has not received a PDF of prices via email within the timeline provided, another notification will be sent by certified letter.
3. A fine may be issued for each day of noncompliance after the 60-day deadline.

Price submittal - extensions

If a facility or provider needs an extension to meet the price submittal requirements, they may submit a request for an extension prior to January 30 of the submittal year. The facility or provider will be notified within 7 days of receipt of the form. A typical extension will be for no more than 30 days, but extensions of up to 6 months will be considered.

Issues being researched related to compliance with the law:

- CPT codes are likely proprietary. What legal issues are possibly created by providers and DHSS posting them?
- Dentists do not use CPT codes. Can DHSS ensure compliance with SB 105 by accepting CDT codes?
- How does this provision apply to “office-less” providers like hospitalists?
- Definition of the patient. Is the term “patient” specific to an existing patient of the provider or facility? Or, could a patient be anyone on the phone or in the office interested in a service from that provider or office?
- Should there be guidance about what information an individual should give a provider, office, or insurer to get an oral quote? How would a provider, office, or insurer keep a record of the quote? Is there a way to keep a record of an orally provided estimate without collecting name and address?



DHSS Health Care Cost Transparency Workgroup Meeting Documents

[Presentation](#) - 11/20/18 workgroup meeting

https://www.ashnha.com/wp-content/uploads/2018/12/SB-105-workgroup-presentation_11-20-18.pdf

[Issues Identified](#) - 11/20/18 workgroup meeting

<https://www.ashnha.com/wp-content/uploads/2018/12/2018-11-29-Summary-of-issues-and-initial-leaning.pdf>

[Transcript](#) - 11/20/18 workgroup meeting

<https://www.ashnha.com/wp-content/uploads/2018/12/Transcript-workgroup-11-20-18.pdf>



Recommended Actions for ASHNHA members

1. Begin a good faith effort to comply with both CMS and State price transparency laws. These are both new requirements and enforcement will likely not come quickly, but it will be best to show effort at complying with the laws. Create price lists required for both CMS and state price transparency law and review internally in preparation for public release.
2. Use the [ASHNHA price transparency principles](#) to communicate to consumers your hospitals commitment to price transparency.
3. Have a hospital representative attend the ASHNHA CFO Collaborative monthly meetings to participate in group discussion on compliance with the law and problem solving. The CFO group will review draft regulations when available and provide guidance to ASHNHA on comments. Contact Connie Beemer at connie@ashnha.com for more information.
4. Educate patient financial services staff and all others who interact with patients on how to help patients receive good faith price estimates when requested. Establish internal processes to document price estimates provided. Ensure when patients call to request a price estimate they receive the information requested. To determine how well price information is communicated at your facility, conduct a “secret shopper” experiment.
5. Consumers with insurance should be encouraged to contact their health plan to get more accurate information on their expected out-of-pocket costs, based on their current deductible status along with copayment and coinsurance information. In most cases, the health plan is the best position to help their members find out the total estimated price of the service.
6. Hospitals should serve as a price information resource for uninsured people such as helping uninsured patients get cost estimates for care, identifying eligibility for insurance and public coverage options and communicating that financial assistance provided directly by the hospital may be available.
7. Check the ASHNHA price transparency [website](#) for updates on the State price transparency requirements. <https://www.ashnha.com/price-transparency/>
8. Tribal facilities not subject to comply with state law should review the requirements and consider voluntary compliance wherever possible especially in communities where the whole population is served.
9. Facilities should proactively communicate price information, as well as information about billing processes, charity care and financial assistance policies, in a way that is easy to understand and culturally appropriate.



Toolkit Resources

ASHNHA Price Transparency Principles and Checklist

<https://www.ashnha.com/wp-content/uploads/2018/12/ASHNHA-Price-transparency-principles-checklist.pdf>

AHA Regulatory Advisory on CMS Price Transparency

https://images.magnetmail.net/images/clients/AHA_MCHF/attach/2018/December/AHA_RegulatoryAdvisory_on_Transparency_12112018.pdf

CMS Frequently Asked Questions for Hospital Transparency Requirements

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ProsperMedicareFeeSvcPmtGen/Downloads/Additional-Frequently-Asked-Questions-Regarding-Requirements-for-Hospitals-To-Make-Public-a-List-of-Their-Standard-Charges-via-the-Internet.pdf>

AHA Avoiding Surprise Medical Bills

<https://www.aha.org/system/files/2018-11/Avoiding-Surprise-Bills-FINAL.pdf>

HFMA - Understanding healthcare prices: a consumer guide

<https://www.ashnha.com/wp-content/uploads/2018/11/Consumer-Guide-to-Healthcare-Prices-post-on-website.pdf>

Chargemaster – Frequently asked Questions

<https://www.ashnha.com/wp-content/uploads/2018/12/Chargemaster-FAQ.pdf>

Cost of Health Care –Factors impacting the cost of health care in Alaska

<https://www.ashnha.com/wp-content/uploads/2018/12/Cost-of-Health-Care.pdf>



SB 105 - What the law says about price transparency

Relating to disclosure of health care services and price information

Sec. 3. AS 18.15.360(a) is amended to read:

(a) The department is authorized to collect, analyze, and maintain databases of information related to: Health care services and price information collected under AS 18.23.400; and Sec. 4. AS 18.23 is amended by adding a new section to read:

Article 4. Health Care Services and Price Information.

Sec. 18.23.400. 1 Disclosure and reporting of health care services, price, and fee information.

(a) A health care provider shall annually compile a list, including a brief description in plain language that an individual with no medical training can understand, of the 10 health care services most commonly performed by the health care provider in the state in the previous calendar year from each of the six sections of Category I, Current Procedural Terminology, adopted by the American Medical Association and, for each of those services, state

- (1) the procedure code;
- (2) the undiscounted price; and
- (3) any facility fees.

(b) A health care facility in the state shall annually compile a list, including a brief description in plain language that an individual with no medical training can understand, of the 10 health care services most commonly performed at the health care facility in the previous calendar year from each of the six sections of Category I, Current Procedural Terminology, adopted by the American Medical Association and, for each of those services, state

- (1) the procedure code;
- (2) the undiscounted price; and
- (3) any facility fees.

(c) If, in the annual reporting period under this section, fewer than the number of health care services described under (a) or (b) of this section are performed by a health care provider or at a health care facility in the state, the provider or facility shall include in the list required under this section all of the health care services performed by the provider or at the facility from each of the six sections described under (a) or (b) of this section.

(d) A health care provider who provides health care services at a health care facility in a group practice is not required to compile and publish a list under (a) and (e) of this section if (1) the health care facility where the provider is in a group practice compiles and publishes a list in compliance with (b) and (e) of this section; and (2) the prices and fees that the provider charges are reflected in the list compiled and published by the health care facility.

(e) A health care provider and health care facility shall publish the lists compiled under (a) and (b) of this section by January 31 each year (1) by providing the list to the department for entry in the department's



database under AS 18.15.360 along with the name and location of the health care provider or health care facility; (2) by posting a copy of the list

- (A) in a font not smaller than 20 points;
- (B) in a conspicuous public reception area at the health care provider's office or health care facility where the services are performed;
- (C) that includes the address for the department's Internet website;
- (D) that may include a statement explaining that the undiscounted price may be higher or lower than the amount an individual actually pays for the health care services described in the list;
- (E) that includes a statement substantially similar to the following: "You will be provided with an estimate of the anticipated charges for your nonemergency care upon request. Please do not hesitate to ask for information."; and
- (F) that lists any health care insurers with which the health care provider or health care facility has a contract to provide health care services as an in-network preferred provider; and (3) if the health care provider or health care facility has an Internet website, by posting the list on the website.

(f) The department shall annually compile the lists provided under (a) and (b) of this section by health care service and, where relevant, health care provider and health care facility name and location, post the information on the department's Internet website, and enter the information in the database maintained under AS 18.15.360.

(g) If a patient who is receiving nonemergency health care services requests an estimate from a health care provider, health care facility, or health care insurer of the reasonably anticipated charges for treating the patient's 1 specific condition, the health care provider, health care facility, or health care insurer

- (1) shall provide a good faith estimate before the nonemergency health care services are provided and not later than 10 business days after receiving the request;
- (2) shall provide the estimate in whichever of the following formats the patient requests: orally, in writing, or by electronic means; if the estimate is provided orally, the health care provider, health care facility, or health care insurer shall keep a record of the estimate;
- (3) is not required to disclose the charges for the total anticipated course of treatment for the patient, but if the estimate does not include charges for the total anticipated course of treatment, the estimate must include a statement explaining that the estimate only includes charges for a portion of the total anticipated course of treatment; and
- (4) may provide an estimate that includes a reasonable range of charges for anticipated health care services if the charges for the services will vary significantly in response to conditions that the health care provider, health care facility, or health care insurer cannot reasonably assess before the services are provided.

(h) A good faith estimate provided by a health care provider or health care facility under (g) of this section must include

- (1) a brief description in plain language that an individual with no medical training can understand of the health care services, products, procedures, and supplies that are included in the estimate;
- (2) a notice disclosing the health care provider's or health care facility's in-network or out-of-network status that is substantially similar to one of the following forms:

(A) "(Name of health care provider or health care facility) is a contracted, in-network preferred provider for ONLY the following plan networks: (list each network or state 'NONE. YOU MAY INCUR OUT-OF-NETWORK CHARGES.');" ;



(B) "(Name of health care provider or 1 health care facility) is a contracted, in-network preferred provider for your insurance plan."; or

(C) "(Name of health care provider or health care facility) is NOT a contracted, in-network preferred provider for your insurance plan. YOU MAY INCUR OUT-OF-NETWORK CHARGES."; (3) the procedure code for each health care service included in the estimate;

(4) any facility fees, along with an explanation of the facility fees; and (5) the identity, or suspected identity, of any other person that may charge the patient for a service, product, procedure, or supply in connection with the health care services included in the estimate, along with an explanation of whether the charges are included in the estimate.

(i) A health care provider or health care facility that provides a good faith estimate to a patient under (g) and (h) of this section or a health care insurer that provides a good faith estimate to a patient under (g) of this section is not liable for damages or other relief if the estimate differs from the amount actually charged to the patient.

(j) The requirement for a health care facility to provide a good faith estimate of reasonably anticipated charges for nonemergency health care services under (e)(2)(E), (g), and (h) of this section does not apply to a health care facility that is an emergency department.

(k) A health care provider or a health care facility that fails to comply with the requirements of (a) - (e), (g), or (h) of this section or a health care insurer that fails to comply with the requirements of (g) of this section is liable for a civil penalty not to exceed \$10,000 for each violation. The department may impose a penalty,

(1) for failure to comply with (a) - (e) of this section, of not more than \$100 for each day of noncompliance after March 31; or (2) for failure to provide a good faith estimate under (g) or (h) of this section, of not more than \$100 for each day of noncompliance.

(l) A health care provider, health care facility, or health care insurer penalized under (k) of this section is entitled to a hearing conducted by the office of administrative hearings under AS 44.64.

(m) A municipality may not enact or enforce an ordinance that is inconsistent with or imposes health care price or fee disclosure requirements in addition to the requirements under this section or regulations adopted under this section.

(n) In this section,

(1) "department" means the Department of Health and Social Services;

(2) "**facility fee**" means a charge or fee billed by a health care provider or health care facility that is in addition to fees billed for a health care provider's professional services and is intended to cover building, electronic medical records system, billing, and other administrative and operational expenses;

(3) "**health care facility**" means a private, municipal, or state hospital, psychiatric hospital, emergency department, independent diagnostic testing facility, residential psychiatric treatment center as defined in AS 47.32.900, kidney disease treatment center (including freestanding hemodialysis units), the offices of private physicians or dentists whether in individual or group practice, ambulatory surgical center as



defined in AS 47.32.900, free-standing birth center as defined in AS 47.32.900, and rural health clinic as defined in AS 47.32.900;

"health care facility" does not include

- (A) the Alaska Pioneers' Home and the Alaska Veterans' Home administered by the department under AS 47.55;
- (B) an assisted living home as defined in AS 47.33.990;
- (C) a nursing facility licensed by the department to provide long-term care;
- (D) a facility operated by an Alaska tribal health organization; and
- (E) a hospital operated by the United States Department of Veterans Affairs or the United States Department of Defense, or any other federally operated hospital or institution;

(4) **"health care insurer"** has the meaning given in AS 21.54.500;

(5) **"health care provider"** means an individual licensed, certified, or otherwise authorized or permitted by law to provide health care services in the ordinary course of business or practice of a profession;

(6) **"health care service"** means a service or procedure provided in person or remotely by telemedicine or other means by a health care provider or at a health care facility for the purpose of or incidental to the care, prevention, or treatment of a physical or mental illness or injury;

(7) **"nonemergency health care service"** means a health care service other than a health care service that is immediately necessary to prevent the death or serious impairment of the health of the patient; (8) **"patient"** means an individual to whom health care services are provided in the state by a health care provider or at a health care facility;

(9) **"third party"** means a public or private entity, association, or organization that provides, by contract, agreement, or other arrangement, insurance, payment, price discount, or other benefit for all or a portion of the cost of health care services provided to a recipient; "third party" does not include a member of the recipient's immediate family;

(10) **"undiscounted price"** means an amount billed for a service rendered without complications or exceptional circumstances; "undiscounted price" does not include a negotiated discount for an in-network or out-of-network service rendered or the cost paid by a third party for that service.

* **Sec. 5.** AS 21.96 is amended by adding a new section to read:

Sec. 21.96.200. Good faith estimate. Upon request of a covered person who is receiving nonemergency health care services, a health care insurer shall provide a good faith estimate of the amount of the reasonably anticipated charges for treating the patient's specific condition under AS 18.23.400(g).

Sec. 11. Except as provided in sec. 10 of this Act, this Act takes effect January 1, 2019.