

112TH CONGRESS
2D SESSION

H. R. 5800

To amend title XIX of the Social Security Act to provide for increased price transparency of hospital information and to provide for additional research on consumer information on charges and out-of-pocket costs.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2012

Mr. BURGESS (for himself, Mr. GENE GREEN of Texas, Mr. CARTER, and Mr. THORNBERRY) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title XIX of the Social Security Act to provide for increased price transparency of hospital information and to provide for additional research on consumer information on charges and out-of-pocket costs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Care Price
5 Transparency Promotion Act of 2012”.

1 **SEC. 2. INCREASING THE TRANSPARENCY OF INFORMA-**
2 **TION ON HOSPITAL CHARGES AND MAKING**
3 **AVAILABLE INFORMATION ON ESTIMATED**
4 **OUT-OF-POCKET COSTS FOR HEALTH CARE**
5 **SERVICES.**

6 (a) IN GENERAL.—Title XIX of the Social Security
7 Act is amended—

8 (1) in section 1902(a) (42 U.S.C. 1396a(a)), by
9 inserting after paragraph (77) the following new
10 paragraph:

11 “(78) provide that the State will establish and
12 maintain laws, in accordance with the requirements
13 of section 1921A, to require disclosure of informa-
14 tion on hospital charges, to make such information
15 available to the public, and to provide individuals
16 with information about estimated out-of-pocket costs
17 for health care services;” and

18 (2) by inserting after section 1921 (42 U.S.C.
19 1396r-2) the following new section:

20 “INCREASING THE TRANSPARENCY OF INFORMATION ON
21 HOSPITAL CHARGES AND PROVIDING CONSUMERS
22 WITH ESTIMATES OF OUT-OF-POCKET COSTS FOR
23 HEALTH CARE SERVICES

24 “SEC. 1921A. (a) IN GENERAL.—The requirements
25 referred to in section 1902(a)(78) are that the laws of a
26 State must—

1 “(1) in accordance with subsection (b)—

2 “(A) require the disclosure of information
3 on hospital charges; and

4 “(B) provide for access to such informa-
5 tion; and

6 “(2) in accordance with subsection (c), require
7 the provision of a statement of the estimated out-of-
8 pocket costs of an individual for anticipated future
9 health care services.

10 “(b) INFORMATION ON HOSPITAL CHARGES.—The
11 laws of a State must—

12 “(1) require disclosure, by each hospital located
13 in the State, of information on the charges for cer-
14 tain inpatient and outpatient hospital services (as
15 determined by the State) provided at the hospital;
16 and

17 “(2) provide for timely access to such informa-
18 tion by individuals seeking or requiring such serv-
19 ices.

20 “(c) ESTIMATED OUT-OF-POCKET COSTS.—The laws
21 of a State must require that, upon the request of any indi-
22 vidual with health insurance coverage sponsored by a
23 health insurance issuer, the issuer must provide a state-
24 ment of the estimated out-of-pocket costs that are likely
25 to be incurred by the individual if the individual receives

1 particular health care items and services within a specified
2 period of time.

3 “(d) RULES OF CONSTRUCTION.—Nothing in this
4 section shall be construed as—

5 “(1) authorizing or requiring the Secretary to
6 establish uniform standards for the State laws re-
7 quired by subsections (b) and (c);

8 “(2) requiring any State with a law enacted on
9 or before the date of the enactment of this section
10 that—

11 “(A) meets the requirements of subsection
12 (b) or subsection (c) to modify or amend such
13 law; or

14 “(B) meets some but not all of the require-
15 ments of subsection (b) or subsection (c) to
16 modify or amend such law except to the extent
17 necessary to address the unmet requirements;

18 “(3) precluding any State in which a program
19 of voluntary disclosure of information on hospital
20 charges is in effect from adopting a law codifying
21 such program (other than its voluntary nature) to
22 satisfy the requirement of subsection (b)(1); or

23 “(4) guaranteeing that the out-of-pocket costs
24 of an individual will not exceed the estimate of such
25 costs provided pursuant to subsection (c).

1 “(e) DEFINITIONS.—For purposes of this section:

2 “(1) The term ‘health insurance coverage’ has
3 the meaning given such term in section 2791(b)(1)
4 of the Public Health Service Act.

5 “(2) The term ‘health insurance issuer’ has the
6 meaning given such term in section 2791(b)(2) of
7 the Public Health Service Act, except that such term
8 also includes—

9 “(A) a Medicaid managed care organiza-
10 tion (as defined in section 1903(m)); and

11 “(B) a Medicare Advantage organization
12 (as defined in 1859(a)(1), taking into account
13 the operation of section 201(b) of the Medicare
14 Prescription Drug, Improvement, and Mod-
15 ernization Act of 2003).

16 Section 1856(b)(3) shall not preclude the application
17 to a Medicare Advantage organization or a Medicare
18 Advantage plan offered by such an organization of
19 any State law adopted to carry out the requirements
20 of subsection (b) or (c).

21 “(3) The term ‘hospital’ means an institution
22 that meets the requirements of paragraphs (1) and
23 (7) of section 1861(e) and includes those to which
24 section 1820(c) applies.”.

25 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by subsection (a)
3 shall take effect on October 1, 2013.

4 (2) EXCEPTION.—In the case of a State plan
5 for medical assistance under title XIX of the Social
6 Security Act which the Secretary of Health and
7 Human Services determines requires State legisla-
8 tion (other than legislation appropriating funds) in
9 order for the plan to meet the additional require-
10 ments imposed by the amendment made by sub-
11 section (a), the State plan shall not be regarded as
12 failing to comply with the requirements of such title
13 solely on the basis of its failure to meet these addi-
14 tional requirements before the first day of the first
15 calendar quarter beginning after the close of the
16 first regular session of the State legislature that be-
17 gins after the date of the enactment of this Act. For
18 purposes of the previous sentence, in the case of a
19 State that has a 2-year legislative session, each year
20 of such session shall be deemed to be a separate reg-
21 ular session of the State legislature.

1 **SEC. 3. RESEARCH ON INFORMATION VALUED BY CON-**
2 **SUMERS ON CHARGES AND OUT-OF-POCKET**
3 **COSTS FOR HEALTH CARE SERVICES.**

4 (a) RESEARCH ON INFORMATION VALUED AND USED
5 BY CONSUMERS.—The Director of the Agency for
6 Healthcare Research and Quality (in this section referred
7 to as “AHRQ”) shall conduct or support research, pursu-
8 ant to section 901(b)(1)(D) of the Public Health Service
9 Act (42 U.S.C. 299(b)(1)(D)), on—

10 (1) the types of information on the charges, and
11 out-of-pocket costs, for health care services that in-
12 dividuals find useful in making decisions about
13 where, when, and from whom to receive care;

14 (2) how the types of information valued by indi-
15 viduals for making such decisions vary by whether
16 they have health benefits coverage and, if they do,
17 the type of such coverage they have, such as tradi-
18 tional insurance, health maintenance organizations,
19 preferred provider organizations, and high deductible
20 plans coupled with health savings accounts; and

21 (3) ways in which such information may be
22 made available on a timely basis and in easy-to-un-
23 derstand form to individuals facing such decisions.

24 (b) REPORT.—The Director of AHRQ shall report to
25 the Congress on the results of such research not later than
26 18 months after the date of the enactment of this Act,

1 together with recommendations for ways in which the Fed-
2 eral Government can assist the States in achieving the ob-
3 jective specified in subsection (a)(3).

4 (c) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated such sums as may be
6 necessary to carry out this section.

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