

Fiscal Estimate Narratives

DHS 7/11/2023

LRB Number	23-3039/1	Introduction Number	AB-0338	Estimate Type	Original
Description price transparency in hospitals and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Under 2023 AB 0338, hospitals must make publicly available a list of standard charges for certain items and services provided and a consumer-friendly list of standard charges for certain shoppable services. This bill would direct the Department to, if it determines a hospital is not in compliance with the transparency requirements of the bill, take certain actions including providing a written notice to the hospital, requesting a corrective action plan, or imposing a penalty.

Previous legislation, 2009 Act 146, directed the Department to establish requirements on health care providers, hospitals, and certain insurance plans, including prescribing methods to calculate median charges for 25 most frequently provided health care services.

The Department would need 1.0 FTE Nurse Consultant 1 to complete the tasks proposed in 2023 AB 0338, at a cost of \$117,500 GPR annually. This position would develop a process by which hospitals report their price transparency list, create forms and procedures, monitor compliance with annual reporting requirements, conduct onsite surveys, investigate complaints for compliance with the new requirements, take action regarding identified noncompliance, and create and maintain a public list on the Department website of hospitals found to be in and out of compliance with the requirements. The Department would also need \$200,000 GPR for IT support to develop a web solution for hospitals to submit price transparency lists to the Department. In summary, the Department would need \$200,000 GPR in one-time funding and \$317,500 GPR ongoing annual funding to meet the requirements in this bill.

Long-Range Fiscal Implications