

The people of the State of Oregon hereby enact this PATIENTS' RIGHT TO COMPARE HOSPITAL PRICES ACT, which shall be made a part of ORS chapter 41.1:

Section 1. Findings.

- (1) Hospitals in the same community often bill very different amounts for the same services, so it is important for patients to be able to compare hospitals based on the prices they bill and the quality of care they provide.
- (2) Hospitals do not disclose prices to patients before billing for services, so it is difficult for patients to choose to get treatment at the most affordable hospital that provides quality care.
- (3) Hospitals typically bill different amounts depending on what insurance a patient has.
- (4) Therefore, the state should require hospitals to make actual price information public.

Section 2. (1) Hospitals shall disclose the actual price charged for an inpatient hospital stay for each of the conditions on a list adopted by the Oregon Health Authority. If the price charged varies depending on the primary source of payment for the hospital stay, the hospital shall disclose the actual price charged by primary source of payment.

(2) Each hospital must disclose its prices on its website and in a prominent place near the nurses' station on each hospital unit and in the main entrance lobby of the hospital so that it can be seen and read by visitors as they pass through the hospital.

Section 3. (1) The Oregon Health Authority must adopt rules for administration of the price disclosure program. The rules shall include the following: (a) A list of common conditions resulting in inpatient hospital stays defined by patient diagnosis and treatment. The list must include conditions that, taken together, make up at least half of total spending for inpatient hospital care in Oregon. For the first year after enactment, the list shall include vaginal delivery, cesarean delivery, normal newborn, knee joint replacement, hip joint replacement, fusion of the lower spine, upper spine and neck procedures, surgical repair of a ruptured disc, surgical repair of a herniated disc, major intestinal procedures, vaginal hysterectomy (excluding cancer or non-malignant tumor), appendix removal, gall bladder removal (laparoscopic), angioplasty with heart attack, coronary bypass without angioplasty or cardiac catheterization, angioplasty without heart attack, coronary bypass with angioplasty or cardiac catheterization, pneumonia, major procedures for prostate cancer and other male genital disorders, and mastectomy procedures. (b) Lists of peer hospitals. (c) Procedures for annual reporting of prices charged for each hospital stay that will enable the Authority to monitor compliance and build a tool that enables the public to compare hospital prices by primary source of payment. (d) Rules governing the manner in which hospitals must disclose prices as required by Section 2.

(2) No later than October 1, 2015, the Authority will offer the public a web-based tool that enables the public to compare prices of all hospitals, hospitals and their peer hospitals, and other hospitals in a geographic area.

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Section 4. (1) Any person aggrieved by a hospital's failure to disclose prices as required by this Act may file a complaint with the Authority. A person aggrieved includes but is not limited to anyone who pays for services at the hospital.

(2) Any hospital that fails to comply with this Act may be subject to a civil penalty, which shall be imposed as provided in ORS 183.745.

Section 5. For the purposes of this Act:

(1) "Actual price charged" means the lowest, highest, and mean amount billed for a hospital stay by the hospital after contractual discounts. It includes amounts that are the responsibility of the patient such as deductibles and copays. Discounts provided under a hospital's financial assistance plan, early payment plan, or uninsured discount plan are not contractual discounts unless the discounts appear on the first bill to the patient and a patient is not required to submit any application or information in order to claim the discount.

(2) "Hospital" means a hospital as defined in ORS 442.015 but does not include a hospital operated by the United States Department of Veterans Affairs, a special inpatient care facility, a pediatric specialty hospital providing care to children at no charge, a hospital operated by the State of Oregon that provides only psychiatric care, or a hospital that receives a preponderance of its revenue from associated comprehensive group-practice prepayment health care service plans.

(3) "Primary source of payment" means Medicare (whether the patient was enrolled in the traditional Medicare program or in a managed care program), the Oregon Health Plan/Medicaid (whether the patient was enrolled in the fee-for-service program or in a Coordinated Care Organization or other managed care program), commercial insurance (including plans offered by self-insured employers), patients without insurance covering the stay, or other.