



WISCONSIN LEGISLATIVE COUNCIL

*Terry C. Anderson, Director
Laura D. Rose, Deputy Director*

TO: REPRESENTATIVE SHELDON WASSERMAN
FROM: *RSJ*
Richard Sweet, Senior Staff Attorney
RE: Summary of LRB-4538/1, LRB-4544/1, and LRB-4545/1
DATE: May 13, 2004

This memorandum summarizes the provisions of LRB-4538/1, LRB-4544/1, and LRB-4545/1, three bill drafts that have been scheduled for public hearing by the Assembly Committee on Health.

LRB-4538/1 (HEALTH CARE PROVIDER CHARGES)

The draft contains the following provisions:

- The draft requires a health care provider to provide to any person, upon request, information concerning the health care provider's current charges.
- The draft states that before treating a patient, a hospital must inform the patient of his or her right to request an estimate of the hospital's current charges for any treatment proposed for the patient. This requirement does not apply in instances in which a prudent layperson would determine that a medical emergency exists or that the patient is unable to act on the information. If the patient requests an estimate and the charge billed by the hospital exceeds the estimate, the patient may appeal, in the manner provided by the Commissioner of Insurance, to an independent review organization (IRO) for a determination of the patient's liability for any part of the charge that exceeds the estimate and for which the patient has no third-party coverage. A hospital may not claim payment from a patient for any amount of a charge for which the IRO finds that the patient is not liable.

The draft requires the Commissioner of Insurance to promulgate rules that specify the procedures for conducting an independent review, including how a patient may request such a review; the fee, if any, that a patient must pay to an IRO; any information that a hospital or patient must submit to the IRO; and the standards that an IRO must use for determining whether a patient is liable for hospital charges that exceed the hospital's estimate. The draft

also includes conflict-of-interest standards for IROs and clinical peer reviewers assigned by IROs to conduct independent reviews of hospital charges that exceed estimates.

- The draft requires the Department of Health and Family Services (DHFS) to identify at least 100 prescription drugs for which pharmacies located in Wisconsin charge significantly different retail prices. Each pharmacy is required to report to DHFS the retail prices it charges for those drugs and, if the pharmacy has a Web site, must include the prices on its Web site. DHFS is also required to include the price information on its Web site.
- The draft requires DHFS to annually designate 50 procedures commonly performed as treatment in hospitals. By May 1 of each year, the hospital must provide the information for its charges on each of those procedures to DHFS and, if it has a Web site, must include this information on its Web site. DHFS is also required to include the information on its Web site.
- The draft allows DHFS to require physician clinics and ambulatory surgery centers to report their charges for a reasonable number of procedures, including charges for any health care service that is incidental to a procedure. DHFS may require the reporting of charges based on a patient's diagnosis-related code. Physician clinics and ambulatory surgery centers must provide DHFS with all charge information requested and, if the clinic or center has a Web site, must include the information on its Web site. DHFS is also required to include the charge information on its Web site.
- The draft provides that the process that DHFS uses for designating procedures and prescription drugs, as described above, must be specified by administrative rule. DHFS is given the authority to promulgate these rules by using the procedure ordinarily used for emergency rules.

LRB-4544/1 (PATIENT SAFETY PRACTICES)

The draft requires a hospital to make available to any requester in printed form and post on any Web site of the hospital information from the hospital's previous fiscal year specifying the manner and degree of implementation by which the hospital has instituted each of the 30 Leapfrog Group patient safety practices. The draft defines "Leapfrog Group patient safety practices" to mean hospital safety practices specified in May 2003 by the National Quality Forum under "Safe Practices for Better Healthcare: A Consensus Report."

The above requirements are also applicable to hospitals that primarily provide cardiology care and to ambulatory surgery centers, except that DHFS must specify by rule the Leapfrog Group patient safety practices that are applicable to those types of hospitals and to ambulatory surgery centers.

Whoever violates the above provisions is subject to a forfeiture of up to \$1,000 for each day of violation. DHFS is given authority to directly assess forfeitures for violations.

LRB-4545/I (HOSPITAL READMISSION RATES)

The draft requires a hospital to make available to any requester in printed form and post on any Web site of the hospital information from the hospital's previous fiscal year specifying the rates at which the hospital has readmitted patients for treatment of any complications arising from original admissions and treatment of patients. If a patient was admitted to the hospital for treatment of any complication arising from an original admission and treatment by another hospital, the admission must specify the name of the hospital of the original admission.

Whoever violates the above provision is required to forfeit up to \$250 for each day of violation. DHFS is given authority to directly assess forfeitures for violations.

Feel free to contact me if I can be of further assistance.

RNS:tlu:ksm