

# SB3017

Measure Title: RELATING TO TRANSPARENCY IN HEALTH CARE COSTS.

Report Title: Health Care Provider; Health Care Facility; Health Care Costs

Description: Prohibits health care providers and health care facilities from entering into contractual agreements that in any way restrict the professional's or provider's ability to communicate or disclose the actual cost of, or data related to, health care services and products. Requires any disclosed data to comply with the standards for privacy of individually identifiable health information under applicable state and federal laws, including the Health Insurance Portability and Accountability Act of 1996. Applies to all contracts issued, amended, renewed, or delivered on or after September 1, 2018.

Companion:

Package: None

Current Referral: CPH, JDC

Introducer(s): K. RHOADS, BAKER



**February 8, 2018 at 8:30 AM**  
**Conference Room 229**

**Senate Committee on Commerce, Consumer Protection, and Health**

To: Chair Rosalyn H. Baker  
Vice Chair Jill N. Tokuda

From: Paige Heckathorn  
Senior Manager, Legislative Affairs  
Healthcare Association of Hawaii

Re: **Submitting Comments**  
**SB 3017, Relating to Transparency in Health Care Costs**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

The Healthcare Association of Hawaii would like to thank the committee for the opportunity to submit **comments** on SB 3017, which seeks to ensure that patients have access to certain financial information prior to receiving treatment or services. We wanted to note that it can be difficult to determine the actual cost of a service prior to its delivery. For example, the cost of a surgery for a healthy 30-year-old with no complications will likely be different for that same surgery for a 60-year-old with multiple chronic conditions. We would also comment that the cost of supplies or pharmaceuticals can change daily or weekly, and providers may not have information on the exact cost at the point of inquiry. The cost of care is also different from the payment amount. Insurers negotiate rates with separate providers and the cost to a consumer will vary based on which insurer they have and which facility they seek care at. Further, the entire contracts are generally protected, not just the rates included in those contracts.

Thank you for the opportunity to share our comments on this measure.



An Independent Licensee of the Blue Cross and Blue Shield Association

February 8, 2018

The Honorable Rosalyn H. Baker, Chair  
The Honorable Jill N. Tokuda, Vice Chair  
Senate Committee on Commerce, Consumer Protection, and Health

Re: SB 3017 – Relating to Transparency in Health Care Costs

Dear Chair Baker, Vice Chair Tokuda, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 3017, which prohibits health care providers and health care facilities from entering into contractual agreements that in any way restrict the professional's or provider's ability to communicate or disclose the actual cost of, or data related to, health care services and products. Requires any disclosed data to comply with the standards for privacy of individually identifiable health information under applicable state and federal laws, including the Health Insurance Portability and Accountability Act of 1996. Applies to all contracts issued, amended, renewed, or delivered on or after September 1, 2018.

HMSA appreciates the intent to promote more transparency in health care pricing. This Bill, however, broadly describes the disclosure of actual costs, which could be misinterpreted to include the disclosure of proprietary information.

Also this bill does not mandate disclosure but rather prohibits confidentiality clauses in contracts. It is unclear if transparency will occur with the language in the bill.

Thank you for allowing us to testify on SB 3017. Your consideration of our comments is appreciated.

Sincerely,

Pono Chong  
Vice-President, Government Relations

**SB-3017**

Submitted on: 2/6/2018 7:55:50 PM

Testimony for CPH on 2/8/2018 8:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

**PRESENTATION OF THE  
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES  
DEMOCRATIC PARTY OF HAWAII**

TO THE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND  
HEALTH THE SENATE

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Thursday, February 8, 2018

8:30 a.m.

Hawaii State Capitol, Conference Room 229

**RE: Testimony in Support** of SB 3017, RELATING TO TRANSPARENCY IN  
HEALTH CARE COSTS

To the Honorable Rosalyn H. Baker, Chair; the Honorable Jill N. Tokuda, Vice-Chair, and Members of the Committee on Commerce, Consumer Protection and Health:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on Senate Bill No. 3017 relating to Health Care Provider; Health Care Facility and Health Care Costs

The OCC Legislative Priorities Committee is in support of Senate Bill No .3017 and is in favor of its passage.

Senate Bill No.3017 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it prohibits healthcare providers and healthcare facilities from entering into contractual agreements that in any way restrict the professional's or provider's ability to communicate or disclose the actual cost of, or data related to, health care services and products.

Specifically, the DPH Platform provides that "[a]ccess to health care is a basic human need. Our citizens and visitors have an inherent right to high quality, high standard health care. The state legislature and the federal government should take all appropriate steps to create and support a health care system of public, for-profit, and nonprofit hospitals and other medical facilities that follow best practices to enhance and protect and preserve life." (Platform of the DPH, P. 7, Lines 361-364 (2016)).

Given that Senate Bill No. 3017 prohibits healthcare providers and healthcare facilities from entering into contractual agreements that restrict the professional's or provider's ability to communicate or disclose the actual cost of, or data related to, health care services and products, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ **Melodie Aduja**

Melodie Aduja, Chair, OCC Legislative Priorities Committee

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