



To: Senate Financial Institutions and Insurance Committee

From: Rachelle Colombo
Executive Director

Date: January 29, 2020

Re: SB 281 – Enacting the Healthcare Price Disclosure Act

The Kansas Medical Society appreciates the opportunity to provide neutral comments regarding SB 281. SB 281 requires licensees of the Healing Arts Board, the Nursing Board, and KDHE to make available upon request the “direct pay price” of the 25 most common services provided by healthcare professionals.

As stipulated by the bill, the direct pay price is presumably the undiscounted or otherwise contractually-agreed to discounted price – a differentiation that could lead to confusion for patient consumers. Additionally, the disclosure act applies to some, but not all healthcare professionals. It is required of the fifty most common healthcare professionals employed by or otherwise practicing at hospitals. There are no penalties or enforcement mechanisms specified in the bill.

Physicians would be required to make available their standard charges on an annually updated basis. While this is not a burdensome requirement for most physicians, it may not yield the intended result of true price transparency since the overwhelming majority of prices for services provided are contractually set by health insurers, MCOs, Medicaid and Medicare – not physicians. The pricing information would not be meaningful or accurate for insured patients. Additionally, providing this information in the case of emergencies would be impractical and meaningless, since such patient encounters are by their very nature unpredictable and widely varying. There are also some specialties, such as pathology, radiology, anesthesia and others who provide services under contract with hospitals and other facilities and therefore do not bill separately for their services.

The Kansas Medical Society does not oppose efforts to enhance transparency in healthcare pricing, but such requirements should be clearly stipulated and consistently applied to any licensed healthcare provider, not just licensees of BOHA, KDHE and the Nursing Board.

We appreciate the opportunity to offer these comments regarding SB 281.