

IMPROVING HOSPITAL PRICE TRANSPARENCY IN VIRGINIA



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**BOTTOM
LINE**

JUST 1 IN 5 HOSPITALS IN VIRGINIA ARE COMPLIANT WITH FEDERAL HOSPITAL PRICE TRANSPARENCY REQUIREMENTS. STATE ACTION CAN HELP PATIENTS SAVE MONEY.

NEXT STEPS TO IMPROVE COMPLIANCE IN VIRGINIA

- The Virginia State Legislature has passed several laws in recent years that serve as a good first step towards hospital price transparency.
- The Department of Health and Human Services finalized a rule in November 2019 that requires hospitals to publish prices. As of January 2021, hospitals are required to publish a machine-readable file of five types of standard charges for all items and services. They are also required to create a consumer-friendly, shoppable list of 300 items and services, including 70 identified by the Centers for Medicare and Medicaid Services (CMS).
- Full compliance with the federal rule, as defined by CMS, remains low nationwide and in Virginia. A Patient Rights Advocate report from August 2022 estimates that just 16% of hospitals nationwide are fully compliant.
- Codifying the federal rule and coupling it with additional monetary penalties are strategies that will help increase compliance. Preventing non-compliant hospitals from pursuing debt collection against patients is another way to safeguard patients and incentivize compliance. Examples of these policies can be found in Texas's SB 1137 (2021) and Colorado's HB 1285 (2022).

COMPLIANT HOSPITALS: VIRGINIA



WHY THIS MATTERS

Prices for healthcare services can vary greatly by location. According to data from Turquoise Health, the cash price for a routine colonoscopy is \$396.60 at St. Mary's Hospital in Richmond, while the cash price at Culpeper Memorial Hospital in Culpeper is \$1,378.80. This means a patient could save themselves nearly \$1,000 by driving about 60 miles to a different location for this procedure.

THE POLICIES IN HB 2427 AND HB 2435 WOULD BUILD ON PREVIOUS HOSPITAL PRICE TRANSPARENCY LEGISLATION IN VIRGINIA.

- The policies in HB 2427, sponsored by Delegates Freitas and Helmer, add a private right of action and consumer protection terms that will deter non-compliant hospitals from pursuing debt collection against patients. As a result, a patient may sue a hospital and recover damages if the hospital is not posting prices and not complying with the price transparency rule, and the hospital initiates a collection action against the patient for an unpaid hospital bill (beyond the initial action of sending a patient a bill for services).
- The policies in HB 2435, sponsored by Delegate Hodges, implement an additional component of price transparency by including state monitoring and enforcement mechanisms for non-compliant hospitals.
- Hospital price transparency is popular. **Last year in Virginia, HB 481 passed unanimously in both the House and Senate. Texas's SB 1137 law passed unanimously in both chambers in 2021, and Colorado's HB 1285 unanimously passed the Senate in 2022.**

SEE THE FULL TEXT OF THE HOSPITAL PRICE TRANSPARENCY ACT AT: bit.ly/ALECpricetransparency

SEE THE SUMMARY AT: bit.ly/AFPIpricetransparency