

Transparency in Health Care Prices

What physicians need to know.



Colorado Revised Statute: 25-49-103 – Transparency in Health Care Prices Act

Summary: In 2017 the Colorado General Assembly passed legislation requiring greater transparency in provider prices enabling consumers to be better informed.

Beginning January 1, 2018 physicians will need to disclose to consumers their charges for the 15 most common services they provide when payment is made directly by the patients rather than by a third party. This document outlines the responsibilities for physician practices.

Who must comply:

- The Act applies to “health care providers” which includes physicians whether in a solo practice, medical group, independent practice association or professional corporation. (For information regarding the requirements for health care facilities see C.R.S.25-49-104.)
- A hospital-based health care provider who is not an employee of the hospital where the services are being delivered is not required to provide health care prices as described above for the health care services rendered in the hospital setting.

What to do:

- Health care providers are required to make available to the public, the prices for at least the fifteen most common health care services provided. Such information should be available in a single document, either electronically or by posting conspicuously on the provider's website if one exists.
 - Physicians practicing in a group of not more than six individual health care providers with the same license type may comply with the Act by making the health care prices available in patient waiting areas.
 - If the health care provider, in the normal course of his or her practice, regularly provides fewer than fifteen different services, the health care provider shall make available the prices for the health care services most commonly provided.
- A health care provider who is a member of a professional corporation that contracts with a single health maintenance organization, complies with this section if the professional corporation or its contracting health maintenance organization makes available to the public, the prices for at least the fifteen most common health care services that the health care provider or health maintenance organization would charge individuals who are not members of the health maintenance organization.



Such information should be available in a single document, either electronically or by posting conspicuously on its website.

Definitions:

- "Health care price" means the price, before negotiating any discounts, that a health care provider will charge a recipient for health care services that will be rendered.
 - *"Health care price" is the price charged for the standard service for the particular diagnosis and does not include any amount that may be charged for complications or exceptional treatment.*
- The health care price for a specific health care service may be determined from any of the following:
 - The price charged most frequently for the health care service during the previous twelve months;
 - The highest charge from the lowest half of all charges for the health care service during the previous twelve months; or
 - A range that includes the middle fifty percent of all charges for the health care service during the previous twelve months.
- "Health care price" does not mean the amount charged if a public or private third party will be paying or reimbursing the health care provider or health care facility for any portion of the cost of services rendered.

Requirements:

- The listing of health care prices for "health care services" must include the common procedural terminology code (CPT® or other national standard coding system), and a plain English description for each service.
 - *"Health care services" or "services" means services included in, or incidental to, furnishing to an individual: Medical, mental, dental, or optometric care or hospitalization; or other services for the purpose of preventing, alleviating, curing, or healing a physical or mental illness or injury.*
 - *"Health care services" includes services rendered through the use of telemedicine.*
- The health care provider shall include a disclosure specifying that the health care price for any given health care service is an estimate and that the actual charges for the health care service are dependent on the circumstances at the time the service is rendered; and the following statement or a statement containing substantially similar information:

If you are covered by health insurance, you are strongly encouraged to consult with your health insurer to determine accurate information about your financial responsibility for a particular health care service provided by a health care provider at this office. If you are not covered by health insurance, you are strongly encouraged to contact our billing office at (insert telephone number) to discuss payment options prior to receiving a health care service from a health care provider at this office since posted health care prices may not reflect the actual amount of your financial responsibility.
- The listing of health care prices shall be updated at least annually.

Exemptions:

- Nothing in this Act requires a health care provider to report its health care prices to any agency for review, filing, or other purposes, except as may be required for applications for health care professional loan repayment submitted pursuant to the Colorado health services corps (section 25-1.5-503).
- The Act does not grant any agency the authority to approve, disapprove, or limit a health care provider's health care prices or changes to its health care prices.
- The department of public health and environment is not authorized to take any action regarding or pursuant to the Act.
- A person, entity, agency, or health insurer shall not punish a recipient, health care provider, person, entity, or employer for participating directly in, exercising rights under, or complying with this Act.
- The health care price for a given health care service that a health care facility makes available to the public pursuant to this Act shall not be used as the basis for determining payment rates from a public or private third party for that health care service.