

ASSEMBLY BILL

No. 1045

Introduced by Assembly Member Frommer

February 22, 2005

An act to amend Sections 1339.56, 1339.57, and 1339.59 of, and to add Section 1339.585 to, the Health and Safety Code, relating to the Payers' Bill of Rights.

LEGISLATIVE COUNSEL'S DIGEST

AB 1045, as introduced, Frommer. Payers' Bill of Rights: procedure charges.

Existing law provides for the licensure and regulation of health facilities by the State Department of Health Services. A violation of those provisions is a misdemeanor.

The existing Payers' Bill of Rights requires each hospital to compile a list of the charges for 25 services or procedures commonly charged to patients. Beginning July 1, 2004, existing law requires each hospital to make that list available to any person upon request and to file the list annually with the office.

This bill would require each hospital to additionally compile a list of the average charges for its 25 most common inpatient procedures and its 25 most common outpatient procedures, as grouped by Medicare diagnosis-related group. The bill would require each hospital to provide copies of both lists to any person upon request and file them annually with the office.

Existing law authorizes the Office of Statewide Health Planning and Development to compile a list of the 10 most common Medicare diagnostic-related groups (DRGs) and the average charge for each of these DRGs per hospital and to publish that information on its Internet Web site.

This bill would require the office to compile a list of the 25 most common inpatient procedures and the 25 most common outpatient procedures, as grouped by Medicare DRG, performed in hospitals in California, and a list of the average charges for those procedures per hospital. The bill would require the office to publish that information on its Web site.

This bill would provide that any hospital that does not file the information required by the Payers’ Bill of Rights may be liable for civil penalties.

By changing existing duties of a hospital, the bill would change the definition of a crime, and would thereby impose a state–mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1339.56 of the Health and Safety Code
2 is amended to read:
3 1339.56. Each hospital shall compile a list of the charges for
4 25 services or procedures commonly charged to patients. *Each*
5 *hospital shall compile a list of the average charges for its 25*
6 *most common inpatient procedures and its 25 most common*
7 *outpatient procedures, as grouped by Medicare*
8 *diagnosis–related group.* Beginning July 1, 2004, each hospital
9 shall ~~make this list available~~ *provide a copy of these lists* to any
10 person upon request. Each hospital shall ~~file this list~~ *file these lists*
11 annually with the office, in a form prescribed by the office, along
12 with the charge description master. After reviewing hospital
13 filings, the office may develop a uniform reporting form for the
14 25 services or procedures most commonly charged to patients,
15 may require hospitals to file this form with the office in a form
16 prescribed by the office, and may require hospitals to provide
17 patients with the charges for these 25 services or procedures.

1 SEC. 2. Section 1339.57 of the Health and Safety Code is
2 amended to read:

3 1339.57. The office ~~may~~ *shall* may compile a list of the ~~10~~
4 ~~most common Medicare diagnostic related groups (DRGs) and~~
5 ~~the average charge for each of these DRGs per hospital. The~~
6 ~~office may~~ *25 most common inpatient procedures and the 25*
7 *most common outpatient procedures, as grouped by Medicare*
8 *diagnostic-related group, performed in hospitals in California.*
9 *The office shall compile a list of the average charges for these*
10 *procedures per hospital and shall publish this information on its*
11 *Internet Web site.*

12 SEC. 3. Section 1339.585 is added to the Health and Safety
13 Code, to read:

14 1339.585. Upon admission of a patient and at the patient's
15 request, the hospital shall provide a written estimate of the
16 hospital's charges for the care that the patient is expected to
17 receive.

18 SEC. 4. Section 1339.59 of the Health and Safety Code is
19 amended to read:

20 1339.59. (a) A hospital shall be in violation of this article if it
21 knowingly or negligently fails to comply with the requirements
22 of this article.

23 (b) *In addition to any other penalty specified in this chapter, a*
24 *hospital that does not file the information required by this article*
25 *may be liable for civil penalties as specified in Section 128770.*

26 SEC. 5. No reimbursement is required by this act pursuant to
27 Section 6 of Article XIII B of the California Constitution because
28 the only costs that may be incurred by a local agency or school
29 district will be incurred because this act creates a new crime or
30 infraction, eliminates a crime or infraction, or changes the
31 penalty for a crime or infraction, within the meaning of Section
32 17556 of the Government Code, or changes the definition of a
33 crime within the meaning of Section 6 of Article XIII B of the
34 California Constitution.