



TO: House Health and Human Services Committee

FROM: Chad Austin
Senior Vice President, Government Relations

DATE: February 14, 2018

RE: House Bill 2575

The Kansas Hospital Association appreciates the opportunity to comment on House Bill 2575, which creates the Patient Right to Shop Act.

The subject of transparency in general, and health care pricing specifically, has been an issue of policy discussion and development for our membership over the past several years. Throughout these discussions, our members have been firm in their belief that as we move towards a more consumer-driven health care marketplace that transparency of all health care data will be a key component for consumers, employers and policy makers. Towards that end, the Kansas Hospital Association supported the legislature's passage of the Predetermination of Health Care Benefits Act (2014: House Bill 2668). This legislation attempts to provide patients, upon their request, the necessary tools to obtain pertinent information regarding their out-of-pocket expenses for health care services.

House Bill 2575 includes provisions that would require an insurance carrier to offer a program that provides incentives for insureds participating in a health plan. The concept behind this proposal is that insureds needing non-emergency services would comparison shop among health care providers and choose the provider that offers the largest savings. The potential savings would be shared between the patient and health plan.

After reviewing the legislation, several questions and comments were raised by our members regarding the impact of the proposed legislation. Some of the responses included the following:

- How does House Bill 2575 complement the "predetermination of health care benefits act"?
- It appears the legislation may add a significant level of complexity to the requirements imposed upon insurers and providers and sets a quick timeline for implementation. The bill requires insurance carriers to begin offering the program by January 1, 2019. Is this sufficient time to successfully implement the additional administrative requirements?
- How does House Bill 2575 factor quality into the decision? In today's environment, health care providers are focused on providing value (combination of quality and cost) to their patients.

- What is the potential impact of House Bill 2575 on rural (low volume) and urban (high volume) providers? Are there any unintended consequences that may arise which may further limit access to care (such as elimination of services)?
- Does House Bill 2575 pave the path for patients to seek care outside of the state or country?
- What has been the experience of the Right to Shop Act in other states? Has any state created a pilot program prior to full implementation?

After considering all of the questions above and several others, KHA recommends that the committee consider requesting a legislative interim committee to further study and review this proposal. The additional time will allow us to better understand the experiences from other states that have passed this legislation.

Thank you for your consideration of our comments.