

March 22, 2018

The Honorable Bill Cassidy
U.S. Senate
520 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Michael Bennet
U.S. Senate
261 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Tom Carper
U.S. Senate
513 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Chuck Grassley
U.S. Senate
135 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Claire McCaskill
U.S. Senate
503 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Todd Young
U.S. Senate
400 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Cassidy, et al.,

On behalf of the Illinois Health and Hospital Association's (IHA's) more than 200 hospital and nearly 50 health system members, IHA is pleased to respond to your request for input on healthcare price transparency and to share progress made in Illinois. IHA supports price transparency that provides relevant and meaningful healthcare price information to patients making healthcare decisions and has developed price transparency principles which have been adopted by 92 percent of our members. These principles embrace the need for a collaborative approach between providers and public and private health plans to convey the value of care, as well as to ensure that patients understand the many factors that influence the final price of the care provided.

What we hear most often is that patients want to know what their out-of-pocket financial obligations will be. We believe that in cases where patients have health insurance coverage that specifies their specific out-of-pocket financial obligations, that information is best provided from their health plan. Healthcare providers should provide estimates of pricing, including available financial assistance, as well as assistance with additional information regarding public health coverage for those without health coverage.

Illinois has implemented a number of laws to address various pricing concerns: the need for price estimates, a website with hospital-specific charges by procedure, free care and discounts for the uninsured, communication of financial assistance

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Memorial Regional Health Services

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La Rabida Children's Hospital

availability and patient protections from “surprise” out-of-network bills. In addition, Illinois hospitals provide nearly \$800 million annually in charity care measured at cost to assist patients in need.

Post charges and give estimates - The [Illinois Health Finance Reform Act](#) Sec. 4-4 (Reform Act) requires hospitals to publicly display charges for certain services, and upon request, provide prospective patients with information on the normal charge for any procedure or operation the patient may be considering.

Website with hospital-specific charges by procedure - The Reform Act Sec. 4.2 requires hospitals to submit inpatient and outpatient claims to the Illinois Department of Public Health (IDPH) then post average charges by hospital for over 50 most common services on the Hospital Report Card/Consumer Guide website, www.healthcarereportcard.illinois.gov. The Illinois Hospital Report Card Act requires collection of certain hospital quality information that is also posted on the website.

Most health plans in Illinois have developed cost estimator websites so their subscribers can obtain estimates of what their care would cost at specific providers and what their out-of-pocket obligation would be.

Free care/discounts to uninsured – The [Illinois Hospital Uninsured Patient Discount Act](#) (HUPDA) requires uninsured residents below established income thresholds to be eligible for either 100 percent discount (free care) or discounts to 135 percent of the hospital’s cost. It also ties a maximum collectible amount to 25 percent of family income. The [Illinois Fair Patient Billing Act](#) (FPBA) requires a presumptive eligibility policy for financial assistance for certain categories of patients.

Billing information – FPBA requires specified information on hospital bills including availability of financial assistance, provide an itemized bill upon request and respond to billing inquires within specified time frames.

Collection action - FPBA requires hospitals to give uninsured patients opportunities to apply for financial assistance, assess accuracy of their bill and avail themselves of a payment plan prior to any collection action. No legal action for non-payment is allowed against uninsured patients who have clearly demonstrated lack of income or assets to meet financial obligations. It also requires the offering of a payment plan to insured patients before collection action taken.

Out-of-network/Surprise bills – [Public Act 96-1523](#) holds insured patients harmless for any increased out-of-pocket obligations from facility-based, out-of-network provider services at an in-network hospital. Facility-based physician or other provider is defined as one who provides radiology, anesthesiology, pathology, neonatology or emergency department services in a participating hospital or ambulatory surgical treatment center.

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FPBA requires notice to insured patients that healthcare professionals affiliated with the hospital may not be participating providers within the same insurance plans and networks as the hospital.

Finally, in an effort to assist our members as they work with patients to better understand the cost of care, IHA has developed various tools and resources that can be seen on our [price transparency page](#) of our website.

Healthcare is not like other industries where consumers are able to price shop. Some outpatient procedures may lend themselves to greater standardization of service and price, but the underlying element that needs to be understood is that people are unique. Their care can vary because of their medical condition, length of time necessary to provide the care, necessary specific equipment, supplies and medication, complications requiring unanticipated procedures or other treatment ordered by the physician.

Illinois hospitals are eager to engage patients in financial conversations and assistance. We believe that the progress made in Illinois through laws and regulations has advanced price transparency by providing patients with information most helpful to them.

We hope this information is useful and would be happy to answer questions and discuss further.

Thank you,

A.J. Wilhelmi
President & CEO

cc: Senator Richard Durbin
Senator Tammy Duckworth
American Hospital Association