



S.31 Disclosure and Surprise Billing

Good morning, thank you for inviting me to speak on the issue of financial disclosure and surprise billing. We know that the health care billing system is confusing, stressful, and less than transparent. We support greater transparency for Vermonters.

In looking at this bill and listening to Sen. Pearson's testimony, I was struck by whether these requirements would actually help. When Sen. Pearson spoke, he talked about simplifying the billing—making sure that people who received care would get one piece of paper telling them exactly what they were paying for and how to pay for it.

The requirements in Section 1 of S.31 do not reduce paperwork, but rather increase paperwork for patients while creating uncertainty for hospitals and physicians.

- Requiring disclosure of whether a disputed bill will be sent to a collection agency—Vermont hospitals generally work with patients and try to determine if they are eligible for charity care or a monthly repayment program. The hospital would not know from the outset whether the bill will be sent to the collection agency.
 - Additionally, the annual \$15 million in cuts to Disproportionate Share Hospital (DSH) funding which would normally compensate hospitals for unpaid care puts hospitals under greater financial pressure.
- Requiring disclosure of financial conflicts of interest—The Stark Law or the Physician Self-Referral Ban is a healthcare fraud and abuse law that prohibits physicians from referring patients for certain designated health services, including inpatient and outpatient hospital services, paid for by Medicare to any entity in which they have a “financial relationship.”
- Requiring physicians to disclose charges and less expensive options if they are available—Hospitals produce the charge list right now as part of the Vermont Department of Health's Hospital Report Cards for the top 20 procedures. However, the charge list itself is confusing to patients. The charge list price is often not the paid price once insurance or income level are taken into account. Physicians don't have this information and would be ill-equipped to discuss the exact cost to the individual patient.
- Requiring physicians to disclose a facility fee—hospitals charge for the use of their space and equipment through separate billing. Hospitals cannot enforce disclosure by a health care provider who has privileges at the hospital but is not a hospital employee.

Furthermore, the penalties proposed in here, where a hospital's license could be revoked, is an extreme measure that could affect access to care for an entire community.

Again, I question whether we need to go in the direction of more information when people already receive a lot of paperwork or towards more targeted information. We can do targeted information in two ways:

- Promoting/steering people towards financial counseling



**Vermont Association of
Hospitals and Health Systems**

- Streamlined billing—have insurance plans regulated by State of Vermont responsible for collecting cost sharing amounts