

JAN 24 2018

A BILL FOR AN ACT

RELATING TO TRANSPARENCY IN HEALTH CARE COSTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that transparency is
2 essential to foster a healthy and efficient health care
3 marketplace and that a lack of transparency in health care
4 pricing is an ongoing concern to patients and the public in
5 general. Insurer contracts with health care providers and
6 facilities routinely contain "gag clauses" that prohibit
7 disclosure of the actual costs of health care procedures and
8 services. This contractual restraint means individuals who want
9 this information are unable to obtain it.

10 The legislature also finds that California has enacted laws
11 intended to improve consumer access to health care price
12 information. California's laws void contracts that restrict the
13 ability of health care providers to provide price information
14 and related data.

15 Accordingly, the purpose of this Act is to ensure
16 transparency in health care pricing by prohibiting health care
17 providers and health care facilities from entering into



1 contractual agreements that in any way restrict the
2 professional's or provider's ability to communicate or disclose
3 the actual cost of, and data related to, health care services
4 and products.

5 SECTION 2. Chapter , Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 "§ - Contractual restrictions on providing health care
9 costs and data prohibited. (a) A health care professional or
10 health care facility shall not enter into contractual agreements
11 that in any way restrict the health care professional's or
12 health care facility's ability to communicate or disclose the
13 actual cost of, or data related to, a procedure or full course
14 of treatment, including but not limited to costs for facilities,
15 professional and diagnostic services, prescription drugs,
16 durable medical equipment, and other items related to the
17 procedure or treatment. Any contractual provision inconsistent
18 with this section shall be void and unenforceable.

19 (b) Any data disclosed under this section shall be in
20 compliance with the standards for privacy of individually
21 identifiable health information under applicable state and



1 federal laws, including the Health Insurance Portability and
2 Accountability Act of 1996.

3 (c) This section shall apply to any contract issued,
4 amended, renewed, or delivered on or after September 1, 2018.

5 (d) For purposes of this section, "health care facility"
6 means an institution providing health care services or a health
7 care setting, including but not limited to hospitals and other
8 licensed inpatient centers, ambulatory surgical or treatment
9 centers, skilled nursing centers, residential treatment centers,
10 diagnostic, laboratory, and imaging centers, and rehabilitation
11 and other therapeutic health settings."

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval.

14 INTRODUCED BY:

Kal Rhoads

Randy L. Beck



S.B. NO. 3017

Report Title:

Health Care Provider; Health Care Facility; Health Care Costs

Description:

Prohibits health care providers and health care facilities from entering into contractual agreements that in any way restrict the professional's or provider's ability to communicate or disclose the actual cost of, or data related to, health care services and products. Requires any disclosed data to comply with the standards for privacy of individually identifiable health information under applicable state and federal laws, including the Health Insurance Portability and Accountability Act of 1996. Applies to all contracts issued, amended, renewed, or delivered on or after September 1, 2018.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

