

---

---

# A BILL FOR AN ACT

RELATING TO HOSPITAL PRICE TRANSPARENCY.

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

1           SECTION 1. Chapter 323D, Hawaii Revised Statutes, is  
2 amended by adding a new part to be appropriately designated and  
3 to read as follows:

4                           **"PART           .   HOSPITAL PRICE TRANSPARENCY**

5           **§323D-A Short title.** This part shall be known and may be  
6 cited as the "Hospital Price Transparency Act".

7           **§323D-B Definitions.** As used in this part:

8           "Chargemaster" means the list of all hospital items or  
9 services maintained by a hospital for which the hospital has  
10 established charges.

11           "Collection action" means any of the following actions  
12 taken with respect to a debt for an item or service that was  
13 purchased by or provided to a patient by a hospital on a date  
14 during which the hospital was in violation of this part:

15           (1) Attempting to collect a debt from a patient or patient  
16                guarantor by referring the debt, directly or  
17                indirectly, to a debt collector, collection agency, or



- 1           other third party retained by or on behalf of the  
2           hospital;
- 3           (2) Suing the patient or patient guarantor or enforcing an  
4           arbitration or mediation clause in a hospital  
5           document, including any contract, agreement,  
6           statement, or bill; or
- 7           (3) Directly or indirectly causing a report to be made to  
8           a consumer reporting agency.
- 9           "Collection agency" means a person that:
- 10          (1) Engages in a business for the principal purpose of  
11          collecting debts; or
- 12          (2) Performs any of the following:
- 13               (A) Regularly collects or attempts to collect,  
14               directly or indirectly, debts owed or due, or  
15               asserted to be owed or due, to another;
- 16               (B) Accepts the assignment of debts for collection  
17               purposes; or
- 18               (C) Directly or indirectly solicits for the  
19               collection of debts owed or due, or asserted to  
20               be owed or due, to another.



1 "Consumer reporting agency" means a person that, for a  
2 monetary fee or dues on a cooperative nonprofit basis, regularly  
3 engages in the practice of assembling or evaluating consumer  
4 credit information or other consumer information for the purpose  
5 of furnishing consumer reports to third parties. "Consumer  
6 reporting agency" does not include business entities that only  
7 provide check verification or check guarantee services.

8 "Debt" means the obligation or alleged obligation of a  
9 consumer to pay money arising out of a transaction, regardless  
10 of whether the obligation has been reduced to a judgment.

11 "Debt" does not include a debt for business, investment,  
12 commercial, or agricultural purposes or a debt incurred by a  
13 business.

14 "Debt collector" means a person employed or engaged by a  
15 collection agency to perform the collection of debts owed or due  
16 or debts asserted to be owed or due to another.

17 "De-identified maximum negotiated charge" means the highest  
18 charge that a hospital has negotiated with all third-party  
19 payors for a hospital item or service.



1 "De-identified minimum negotiated charge" means the lowest  
2 charge that a hospital has negotiated with all third-party  
3 payors for a hospital item or service.

4 "Discounted cash price" means the charge that applies to a  
5 person who pays cash or a cash equivalent for a hospital item or  
6 service.

7 "Gross charge" means the charge for a hospital item or  
8 service as reflected on the hospital's chargemaster, excluding  
9 any discount.

10 "Hospital" means a public hospital, for-profit or nonprofit  
11 private hospital, or general or special hospital that is  
12 licensed as a hospital by the department of health pursuant to  
13 section 321-14.5.

14 "Item or service" means an item or service that a hospital  
15 could provide to a patient in connection with an inpatient  
16 admission or an outpatient visit for which the hospital has  
17 established a standard charge, including:

- 18 (1) A supply or procedure;
- 19 (2) Room and board;
- 20 (3) A facility fee; or
- 21 (4) A professional fee.



1 "Patient guarantor" means a person or entity legally  
2 responsible for paying a patient's medical bills, including the  
3 patient, a parent, legal guardian, or spouse.

4 "Payor-specific negotiated charge" means the charge that a  
5 hospital has negotiated with a third-party payor for a hospital  
6 item or service.

7 "Professional fee" means a fee charged by a health care  
8 practitioner for medical services.

9 "Standard charge" means the regular rate established by a  
10 hospital for a hospital item or service provided to a specific  
11 group of paying patients. "Standard charge" includes the:

- 12 (1) Gross charge;
- 13 (2) Payor-specific negotiated charge;
- 14 (3) De-identified maximum negotiated charge;
- 15 (4) De-identified minimum negotiated charge; or
- 16 (5) Discounted cash price.

17 "Third party payor" means an entity other than the patient  
18 that reimburses for and manages health care expenses incurred by  
19 a contracted beneficiary, including an insurance company, a  
20 governmental payer, or a self-insured employer plan.



1           **§323D-C Hospital price transparency; compliance.** (a)

2 Each hospital licensed in the State shall submit a report to the  
3 state agency in a form and manner approved by the state agency  
4 attesting that the hospital is in compliance with federal  
5 hospital price transparency requirements under title 45 Code of  
6 Federal Regulations part 180. The state agency may rely on the  
7 hospital's attestation and publicly available federal compliance  
8 determinations in determining compliance with this part.

9           (b) No hospital shall be considered in violation of this  
10 part if the hospital is participating in a compliance or  
11 corrective action process with the Centers for Medicare and  
12 Medicaid Services to remedy any alleged noncompliance with  
13 federal hospital price transparency requirements, including  
14 through a corrective action plan or other documented compliance  
15 process recognized by the Centers for Medicare and Medicaid  
16 Services.

17           **§323D-D Collection actions; counterclaims permitted.** A

18 patient subject to a lawsuit from a hospital for the collection  
19 of medical debt may file a counterclaim to determine whether:

20           (1) The hospital was noncompliant with any provision of  
21           the federal hospital price transparency requirements



1 under title 45 Code of Federal Regulations part 180 or  
2 related rules adopted by the state agency on the date  
3 that the items or services were provided or purchased;  
4 and

5 (2) The noncompliance was related to the items or  
6 services.

7 **§323D-E Patient rights.** Before initiating a collection  
8 action against a patient, a hospital or a debt collector acting  
9 on behalf of a hospital shall provide the patient with:

10 (1) An easy-to-understand itemized statement of the  
11 medical debt owed by the patient to the hospital,  
12 including the applicable billing codes for each item  
13 or service, using commonly recognized billing code  
14 sets;

15 (2) A copy of the detailed receipts of any payments made  
16 to the hospital or debt collector by the patient or  
17 the patient's guarantor within thirty calendar days of  
18 each payment;

19 (3) Information about the availability of  
20 language-assistance services for persons with limited  
21 English proficiency; and



1 (4) The contact information for a designated office or  
2 administrator at the hospital who can:

3 (A) Discuss the specific details of an itemized  
4 statement; and

5 (B) Make appropriate changes to the statement, if  
6 warranted.

7 **§323D-F Rulemaking.** The state agency may adopt rules  
8 pursuant to chapter 91 as necessary to implement and administer  
9 this part."

10 SECTION 2. This Act does not affect rights and duties that  
11 matured, penalties that were incurred, and proceedings that were  
12 begun before its effective date.

13 SECTION 3. In codifying the new sections added by  
14 section 1 of this Act, the revisor of statutes shall substitute  
15 appropriate section numbers for the letters used in designating  
16 the new sections in this Act.

17 SECTION 4. This Act shall take effect on January 30, 2050.



**Report Title:**

SHPDA; Health Care; Hospitals; Price Transparency; Consumer Protection; Federal Requirements

**Description:**

Requires each hospital licensed in the State to provide an annual attestation to the State Health Planning and Development Agency that the hospital is in compliance with federal hospital price transparency requirements. Permits patients to file a counterclaim against debt collection actions filed by hospitals to determine if the hospital is in compliance with federal hospital price transparency requirements. Requires hospitals to provide patients with an easy-to-understand itemized bill statement before initiating a debt collection action against a patient. Effective 1/30/2050. (HD1)

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

