

“Health Care Transparency Bill” Signed into Law in Wisconsin

Healthcare Alert | 2 min read

Mar 10, 2010

On March 10, 2009, Governor Jim Doyle signed into law what is being called the “Health Care Transparency Bill,” which requires many health care providers, hospitals and insurers to provide greater transparency to consumers with regard to charges and reimbursement.

Under the new laws, hospitals will be required to prepare a document listing charge information for inpatient care for 75 diagnosis-related groups and 75 outpatient surgical procedures. This charge information must include the median billed charge, the average allowable payment under Medicare and the average allowable payment from private, third-party payers. The groups and procedures that must be included will be identified annually by the Wisconsin Hospital Association Information Center. Hospitals will be required to update this document every quarter and to provide it to consumers upon request. A statement informing consumers of their right to a free copy of this document must be displayed prominently.

Other health care providers (with the exception of providers practicing individually or in association with one or two other providers) will likewise be required to prepare a document listing the charge information described above for the diagnosis and treatment of 25 conditions. These conditions will be identified annually by the Department of Health Services. Providers will be required to update this document annually and to provide it to consumers upon request. In addition to the 25 conditions specified by DHS, health care providers will be required to disclose to consumers the median billed charge for a health care service, diagnostic test or procedure specified by the consumer. As with hospitals, providers will be required to prominently display a statement informing consumers that they have the right to receive this charge information.

Providers and hospitals will also be required to make available to consumers, upon request, specific public information that they report to health care information organizations regarding the quality of their services. Any provider or hospital in violation of these requirements may be fined by DHS up to \$250 for each violation.

In addition to hospitals and health care providers, insurers and governmental self-insured health plans will also be required to provide certain financial information to consumers upon request. Insurers and governmental self-

insured health plans will be required to provide, free of cost, a good faith estimate of the insured person's total out-of-pocket costs according to the person's benefit terms for a specified service. Before providing this information, the insurer may require the insured person to provide certain information, including the name of the health care provider providing the service and the date and location of the service. The insurer does not need to supply this information if the provider who will be providing the services practices individually or in a group of three or fewer providers.

The requirements of the Health Care Transparency Bill will take effect in early 2011, giving hospitals, providers and insurers some time to prepare the appropriate documents and compliance procedures. The exact effective date will be dependant on the date of publication of the new statutes.

If you have questions about these recent changes to Wisconsin law, please contact your regular [Hinshaw attorney](#).

This alert has been prepared by Hinshaw & Culbertson LLP to provide information on recent legal developments of interest to our readers. It is not intended to provide legal advice for a specific situation or to create an attorney-client relationship.