



State Representative Ron Ferguson

*House Bill 49 Sponsor Testimony
Senate Small Business and Economic Opportunity Committee
September 20th, 2023*

Chair Lang, Vice Chair Wilkin, Ranking Member Sykes and members of the Senate Small Business and Economic Opportunity Committee: thank you for the opportunity to provide sponsor testimony on House Bill 49, also known as the Hospital Price Transparency Act, which passed the House with 90 votes.

House Bill 49 will do the following two things:

1. Codify federal provisions regarding hospital price transparency into the Ohio Revised Code
2. Prohibit hospitals that are not in compliance with these federal provisions from hiring debt collectors, utilizing the court system, or filing credit reports against patients with outstanding medical bills

Federal efforts to improve hospital price transparency started with the Obama Administration's Affordable Care Act (ACA), which included several provisions requiring hospitals to make their prices more transparent to consumers. In 2019, then-President Trump signed an Executive Order building on ACA provisions by creating consumer facing price transparency in facility-based care. In July of 2021, President Biden signed an Executive Order affirming his administration's intent to continue his predecessors' efforts in ensuring price transparency.

Today, the Centers for Medicare and Medicaid Services' (CMS) rules require hospitals to post standard charges prominently on publicly available websites. "Standard charges" are defined as gross charges, discounted cash prices, payer-specific negotiated charges, and de-identified minimum and maximum negotiated charges. Hospitals must post the charges in two formats:

1. Machine readable file (a file that can be read by a computer system)
2. Consumer-friendly display of shoppable services

Despite these efforts, a majority of hospitals have failed to comply with federal price transparency requirements, which is why we have proposed in our bill to codify these federal laws into the Ohio Revised Code and also create additional enforcement mechanisms. More specifically, if a hospital fails to comply with federal healthcare transparency requirements, this legislation will do the following:

- Prohibit hospitals from referring, assigning or selling medical debt to debt collectors
- Prohibit hospitals from accessing the state court system to obtain judgement for an outstanding medical debt

- Prohibit hospitals from filing negative credit reports against patients for outstanding medical bills

What this legislation will not do:

- Will not prohibit hospitals from billing patients or health insurers for patient services
- Will not require hospitals to refund payments if a patient pays a bill and later discovers hospital was not in compliance
- Will not define new price transparency standards – hospitals must simply follow federal law, and this bill provides patients with the power of the courts to enforce their rights

A similar version of the bill we are proposing was enacted by Colorado last year. Several other states are considering similar legislation, including New Hampshire and Virginia. While it is true that Ohio hospitals deliver some of the best medical care in the country, that does not justify ignoring federal law to protect profits. Ensuring hospitals follow federal law is in the best interest of Ohioans, who ultimately bear the burden of over-priced healthcare in the form of higher taxes, lower wages, and their own out-of-pocket spending on healthcare. Price transparency in healthcare is good for every Ohioan as it has been reiterated by Presidents Obama, Trump, and Biden, and we can best serve citizens by ensuring Ohio hospitals abide by Federal law.

Thank you again for the opportunity to provide sponsor testimony on House Bill 49. We would be happy to answer any questions at this time.