

ANCHORAGE, ALASKA
AO No. 2017-26

**AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY TO REQUIRE
HEALTH CARE PRACTITIONERS AND FACILITIES, UPON REQUEST, TO
PROVIDE AN ESTIMATE OF ANTICIPATED HEALTH CARE CHARGES.**

WHEREAS, health care consumers, especially those with high-deductible plans, are increasingly seeking information about the costs of health care procedures;

WHEREAS, markets cannot function efficiently without meaningful pricing information;

WHEREAS, citizens have reported difficulty in obtaining information about the costs of health care services;

WHEREAS, health care costs are a significant portion of the Municipal budget;

WHEREAS, in 2016, 28% of employees receiving health insurance through the municipality enrolled in the high-deductible plan;

WHEREAS, the Municipality's health care costs have increased significantly, from an average cost per enrolled employee per month of \$1,064.90 in 2005 to approximately \$2,347.54 in 2016, with an average annualized rate of increase in plan costs of approximately 7.6%;

WHEREAS, plan costs plus employees' cost shares (in the form of deductibles, coinsurance and co-pays) per enrolled employee per month has increased from approximately \$1,750 in 2010 to approximately \$2,415 in 2015, for an average annualized rate of increase of approximately 6.9%;

WHEREAS, several jurisdictions, including most recently Florida and Ohio, have adopted health care price transparency laws with the twin aims of empowering health care consumers and possibly reducing health care costs; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code title 16 *Health* is hereby amended to add a new chapter 130 *Health Care Transparency* to read as follows:

16.130.010. Estimate of Charges Upon Request

A. *Disclosures by Practitioner.* Upon request by a patient, before providing nonemergency medical services and not later than 7 business days after receiving the request, a health care practitioner shall provide, in writing or by electronic means, an itemized estimate of reasonably anticipated charges to treat the patient's or prospective

1 patient's specific condition. An estimate need not address an entire
2 course of treatment, if the fact that the estimate discloses charges for
3 only a portion of the anticipated total course of treatment is disclosed in
4 the estimate. For charges whose magnitude will vary significantly in
5 response to conditions not reasonably knowable prior to the provision
6 of medical services, a reasonable range of charges may be provided.
7

8 B. *Disclosures by Facility.* Upon request by a patient, before providing
9 nonemergency medical services and not later than 7 business days
10 after receiving the request, a health care facility shall provide, in writing
11 or by electronic means, an itemized estimate of reasonably anticipated
12 charges to treat the patient's condition at the facility. An estimate need
13 not address an entire course of treatment, if the fact that the estimate
14 discloses charges for only a portion of the anticipated total course of
15 treatment is disclosed in the estimate. For charges whose magnitude
16 will vary significantly in response to conditions not reasonably knowable
17 prior to the provision of medical services, a reasonable range of
18 charges may be provided.
19

20 C. *Required Components of Estimate.* An estimate of reasonably
21 anticipated charges required by this section shall include:
22

23 1. *Description of Procedures, Services, Products, Supplies and*
24 *other Items.* A brief description, in plain language
25 comprehensible to an ordinary layperson, of all procedures,
26 services, products or supplies for which the practitioner or facility
27 intends, or is likely, to charge.
28

29 2. *Billing Codes.* For each procedure, service, product, supply or
30 other item that will result in a charge and that corresponds to a
31 standardized billing code, the then-current code for each such
32 procedure, service, product supply or other item. For purposes
33 of this section, a "standardized billing code" includes, but is not
34 necessarily limited to, an International Classification of Diseases
35 (ICD) code, a Current Procedural Terminology (CPT) code
36 published by the American Medical Association, a Current
37 Dental Terminology (CDT) code published by the American
38 Dental Association, or a code used in the Healthcare Common
39 Procedure Coding System (HCPCS).
40

41 3. *Facility or Additional Fees.* Any facility or additional fees, along
42 with a brief statement, in plain language comprehensible to an
43 ordinary layperson, describing the fee.
44

45 4. *"Rack" or Individualized Charges.* For each reasonably
46 anticipated charge, the practitioner or facility shall provide either:
47

48 a. the amount that the practitioner or facility would charge a
49 person with no health care insurance, along with a clear
50 indication that the charges being disclosed do not

account for any insurance benefits to which the patient or prospective patient may be entitled and that payment may vary by insurer, or

- b. the amount that the practitioner or facility anticipates charging the person requesting the estimate, accounting for any insurance policy held by the person and any status of the person that would affect a charge; for purpose of this section, "status" includes, but is not limited to Alaska Native, American Indian, veteran and indigent status.

5. *Identity of Others That May Charge.* The identity, or suspected identity of any other person, entity or facility that may charge the patient or prospective patient in connection with any procedure, service, product or supply referenced in the estimate, along with an indication of whether the amount of any such charges have been included in the estimate, or would be in addition to the total amount of charges estimated.

6. *Notice to Consult with Insurer.* A notice that the patient or prospective patient may contact his or her health insurer for additional information concerning cost-sharing responsibilities.

D. *Required posting.* Health care practitioners and health care facilities shall conspicuously post a sign in patient registration areas containing at least the following language: "You will be provided with an estimate of the anticipated charges of your care, upon request. Please do not hesitate to ask for information. Anchorage Municipal Code 16.130.010."

E. *Penalties.*

1. Failure to timely provide an estimate required by this section shall result in a daily fine of \$100 until the estimate is provided to the patient or prospective patient. The total fine may not exceed \$1000.
2. Failure or to make the posting required by this section shall result in a daily fine of \$100 until the failure is cured. The total fine may not exceed \$1000.

16.130.900 Definitions.

For purposes of this chapter, the following definitions shall apply:

Emergency medical care means services utilized in responding to the perceived individual needs for immediate medical care in order to prevent loss of life or aggravation of physiological or psychological illness or injury;

Health care practitioner means an acupuncturist licensed under AS 08.06, an audiologist or speech language pathologist licensed under AS 08.11, a behavior analyst licensed under AS 08.15, a person licensed in the state as a

chiropractor under AS 08.20, a professional counselor licensed under AS 08.29, a dental hygienist or dental assistant licensed under AS 08.32, a dentist licensed under AS 08.36, a dietitian or nutritionist licensed under AS 08.38, a naturopath licensed under AS 08.45, a hearing aid dealer licensed under AS 08.55, a massage therapist licensed under AS 08.61, a marital or family therapist licensed under AS 08.63, a medical practitioner or osteopath licensed under AS 08.64, a direct-entry midwife certified under AS 08.65, a nurse licensed under AS 08.68, a dispensing optician licensed under AS 08.71, an optometrist licensed under AS 08.72, a pharmacist licensed under AS 08.80, a physical therapist or occupational therapist licensed under AS 08.84, a psychologist or a psychological associate under AS 08.86, a clinical social worker licensed under AS 08.95, a person engaged in the practice of medicine or osteopathy as defined in AS 08.64.380, or a person engaged in any manner in the healing arts who diagnoses, treats, tests, or counsels other persons in relation to human health or disease and uses the letters "M.D.", "D.O.", or the title "doctor" or "physician" or another title that tends to show that the person is willing or qualified to diagnose, treat, test, or counsel another person.

Health care facility means a private, municipal, state, or federal hospital, psychiatric hospital, independent diagnostic testing facility, primary care outpatient facility; residential psychiatric treatment center, tuberculosis hospital, skilled nursing facility, kidney disease treatment center (including freestanding hemodialysis units), intermediate care facility, ambulatory surgical facility, a private, municipal, or state facility employing one or more public health nurses, and a long-term care facility; for purposes of this chapter, the term includes the offices or private physicians and dentists, whether in individual or group practice; the term excludes the Alaska Pioneers' Home and the Alaska Veterans' Home administered by the Department of Health and Social Services under AS 47.55.

Nonemergency medical services means the provision of medical care and transportation of the sick and injured, other than emergency medical care.

Section 2. Anchorage Municipal Code section 14.60.030 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

14.60.030 Fine Schedule

The fine schedule under this chapter is as follows:

Code Section	Offense	Penalty / fine
* * *	* * *	* * *
<u>16.130.010</u>	<u>Failure to Provide Health Care Estimate</u>	<u>\$100/day; not to exceed \$1000</u>
<u>16.130.010</u>	<u>Failure to Post Sign</u>	<u>\$100/day; not to exceed \$1000</u>

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(AO No. 93-167(S-1), § 1, 4-13-94; AO No. 94-108, § 1, 10-5-94; AO No. 94-134, § 2, 9-8-94; AO No. 95-42, § 2, 3-23-95; AO No. 95-67(S), § 9, 7-1-95; AO No. 95-102, § 1, 4-26-95; AO No. 95-118, § 3, 9-1-95; AO No. 95-163(S), § 21, 8-8-95; AO No. 95-195(S-1), 1-1-96; AO No. 96-51(S-1), § 2, 8-1-96; AO No. 96-96(S-1), § 2, 2-1-97; AO No. 96-126(S), § 3, 10-1-96; AO No. 96-137(S), § 9, 1-2-97; AO No. 97-88, § 3, 6-3-97; AO No. 97-107, § 3, 11-17-97; AO No. 97-133(S), § 1, 11-11-97; AO No. 98-27(S-1), § 2, 11-11-97; AO No. 98-160, § 2, 12-8-98; AO No. 99-13(S), 2-9-99; AO No. 99-91(S), § 4, 7-13-99; AO No. 2000-64, § 1, 4-18-00; AO No. 2000-116(S), § 4, 7-18-00; AO No. 2000-127(S), § 2, 10-14-00; AO No. 2000-129(S), § 26, 11-21-00; AO No. 2001-48, § 1, 3-13-01; AO No. 2001-74(S), § 2, 4-17-01; AO No. 2001-4, § 2, 2-6-01; AO No. 2001-145(S-1), § 11, 12-11-01; AO No. 2003-68, § 1, 9-30-03; AO No. 2003-97, § 4, 9-30-03; AO No. 2003-117, § 2, 1-28-03; AO No. 2003-130, § 8, 10-7-03; AO No. 2003-152S, § 10, 1-1-04; AO No. 2004-1, § 2, 1-1-03; AO No. 2004-99, § 2, 6-22-04; AO No. 2004-100(S-1), § 6, 1-1-05; AO No. 2004-171, § 1, 1-11-05; AO No. 2005-160, § 9, 11-1-05; AO No. 2005-84(S), § 3, 1-1-06; AO No. 2005-185(S), § 35, 2-28-06; AO No. 2005-124(S-1A), § 33, 4-18-06; AO No. 2006-39, § 6, 4-11-06; AO No. 2006-54, § 1, 5-2-06; AO No. 2006-80, § 1, 6-6-06; AO No. 2007-50, § 4, 4-10-07; AO No. 2007-60, § 4, 11-1-07; AO No. 2007-70, § 3, 5-15-07; AO No. 2008-84(S), § 5, 7-15-08; AO No. 2009-61, § 3, 7-7-09; AO No. 2009-82, § 5, 7-7-09; AO No. 2009-40(S), § 3, 7-21-09; AO No. 2009-112, § 4, 10-13-09; AO No. 2009-122, § 2, 12-17-09; AO-2010-35(S), § 7, 5-11-10; AO No. 2010-39, § 2, 5-11-10; AO No. 2010-87(S), § 3, 12-7-10; AO No. 2011-46, § 4, 4-12-11; AO No. 2011-59, § 10, 5-24-11; AO No. 2011-106(S), § 3, 11-8-11; AO No. 2011-112, § 4, 11-22-11, eff. 12-22-11; AO No. 2012-10, § 1, 1-31-12; AO No. 2012-77, § 29, 8-7-12; AO No. 2013-109(S-1), § 5, 12-3-13; AO No. 2013-130(S-1), § 1, 1-14-14; AO No. 2014-42, § 31, 6-21-14; AO No. 2014-85, § 4, 8-5-14; AO No. 2014-110(S), § 2, 9-9-14; AO No. 2014-137(S), § 3, 11-18-14; Ord. No. 2015-23(S), § 20, 3-24-15; AO No. 2015-48, § 16, 5-14-15; AO No. 2015-54, § 1, 5-26-15; AO No. 2015-65, § 4, 6-9-15; AO No. 2015-111(S-1), § 2, 1-1-16; AO No. 2016-16(S), § 4, 2-9-16; AO No. 2016-76(S), § 7, 7-12-16 ; AO No. 2016-81(S), § 4, 8-25-16 ; AO No. 2016-83(S), § 9, 7-26-16); AO No. 2016-82 , § 3, 8-9-16; AO No. 2016-116 , § 2, 10-18-16; AO No. 2016-115(S) , § 2, 11-15-16; AO No. 2016-124(S) , § 11, 12-20-16).

Section 3. This ordinance shall be effective 60 days after passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2017.

ATTEST:

Chair

Municipal Clerk