

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government — The bill requires that health care providers charge each uninsured patient having a net household income of less than \$125,000 the highest fee for the service for which the physician has agreed to accept as full payment for the same service when all or a portion of the payment for that same service is made through an insurer. Health care providers will need to implement procedures by which they can ascertain the net household income of their patients. Uninsured patients with net incomes under \$125,000 will be unable to negotiate lower physician charges.

B. EFFECT OF PROPOSED CHANGES:

Background

According to federal government estimates, approximately 46 million Americans are uninsured.¹ There are about 2.6 to 2.9 million Floridians who are uninsured.² Between 1999 and 2004, the number proportion of Floridians without health insurance increased. According to a 2004 study, about 81.5 percent of the uninsured people in Florida are working-aged adults.³

According to the U.S. Bureau of Labor Statistics, the mean annual income for all occupations in Florida is \$34,420.

Consumer groups have voiced concerns regarding hospital pricing. The uninsured are often asked to pay full charges, while the insurers pay discounted negotiated fees for the insured for the same procedure.⁴ The Centers for Medicare and Medicaid Services within the U.S. Department of Health and Human Services provides hospital payment information for 30 common elective procedures and other hospital admissions.⁵ This website also provides information on common elective procedures at ambulatory surgery centers and common hospital outpatient and physician services. Medicare regulations require hospitals to keep a uniform price list for treatments and procedures for all patients, regardless of whether patients are covered by public or private insurance or are uninsured.

Effect of Proposed Legislation

The bill requires a health care provider to charge each uninsured patient having a net household income of less than \$125,000 the highest fee for the service which the physician has agreed to accept as full payment for the same service when all or a portion of the payment for that same service is made through an insurer.

The bill is effective upon becoming a law.

¹ See DeNavas-Walt, Carmen, Bernadette D. Proctor, and Cheryl Hill Lee. "Income, Poverty, and Health Insurance Coverage in the United States: 2004." Current Population Reports P60-229 (Washington, DC: U.S. Department of Commerce, Economics and Statistics Administration, August 2005), <www.census.gov/prod/2005pubs/p60-229.pdf> (last visited March 17, 2007) as quoted in CoverTheUninsured.org, a project of the Robert Wood Johnson Foundation at <<http://covertheuninsured.org>> (Last visited on March 17, 2007).

² See Duncan, et al., "Comparative Findings from the 1999 and 2004 Florida Health Insurance Studies, Department of Health Services Research, Management and Policy, University of Florida (August 2005).

³ See Duncan, et al., "A Profile of Uninsured Floridians: Findings from the 2004 Florida Health Insurance Study," Department of Health Services Research, Management and Policy, University of Florida (February 2005).

⁴ See "Hospitals: Is the Price Right?" CBS News, March 5, 2006 and "Hospitals' Hidden Condition: Medical Pricing" by Harry Wessel, Orlando Sentinel (March 12, 2007).

⁵ See Centers for Medicare and Medicaid Services website at: <http://www.cms.hhs.gov/HealthCareConInit/01_Overview.asp> (last visited on March 17, 2007).

C. SECTION DIRECTORY:

Section 1: Amends s. 408.50, F.S.; requires a health care provider to charge each uninsured patient having a net household income of less than \$125,000 the highest fee for the service for which the physician has agreed to accept as full payment for the same service when all or a portion of the payment for that same service is made through an insurer.

Section 2: Provides an effective date.

I. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Health care providers will need to implement procedures by which they can ascertain the net household income of their patients. Uninsured patients with net incomes under \$125,000 will be unable to negotiate lower physician charges.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill requires a health care provider to charge certain uninsured patients the highest fee which the *physician* has agreed to accept from an insurer. It is unclear whether the bill intends to set fees only for physician charges. Part II, chapter 641, F.S., relating to the regulation of health maintenance organizations defines "provider" to mean any physician, hospital, or other institution, organization, or person that furnishes health care services and is licensed or otherwise authorized to practice in Florida. This bill does not provide a definition of "health care provider."

The bill requires a health care provider to charge uninsured patients a specified charge for the provider's services. It is unclear whether this would prevent the provision of charity care to the uninsured because a health care provider may only charge a specific fee for the provider's services.

D. STATEMENT OF THE SPONSOR

No statement provided.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES