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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 173  
135<sup>th</sup> General Assembly

## Final Fiscal Note & Local Impact Statement

[Click here for H.B. 173's Bill Analysis](#)

**Primary Sponsor:** Rep. Troy

**Local Impact Statement Procedure Required:** No

Ryan Sherrock, Economist, and other LBO staff

### Highlights

- The Ohio Department of Health (ODH) will experience costs to monitor each hospital's compliance with federal price transparency requirements. This will include costs to evaluate complaints, monitor compliance and corrective action, post a list of noncompliant hospitals on its website, and prepare required reports.
- Any government-owned hospital will be subject to administrative penalties if the hospital is in noncompliance with these transparency requirements.
- Administrative penalties collected are to be deposited into the Hospital Price Transparency Fund, which the bill creates. Moneys in the fund must be used for related administration and enforcement. However, a portion may also be used to inform the public about the availability of price transparency information.

### Detailed Analysis

The bill's provisions regarding awareness designations will have no direct fiscal effect on the state or political subdivisions. It designates the month of May as "Older Ohioans Month," the week of March 16 as "Ohio Black Media Week," and the month of October as "Hindu Heritage Month." The bill requires no action on the part of the state or political subdivisions related to these provisions. The bill's provisions and the fiscal impacts regarding hospital price transparency are discussed below.

#### Hospital price transparency

The bill repeals current state price transparency law and instead requires hospitals to maintain and make public a machine-readable list of standard charges for all hospital items or services. Hospitals must also maintain and make public a consumer-friendly list of standard charges for at least 300 of the hospital's shoppable services, which must include the 70 services specified as shoppable services by the United States Centers for Medicare and Medicaid Services

(CMS), or as many of those services as the hospital provides. However, the bill allows hospitals to fulfill the requirement for a list of standard charges for shoppable services by providing a qualifying internet-based price estimator tool. Hospitals must update these lists at least once a year. Each time a hospital updates a list or internet-based price estimator tool, the hospital must submit the list or description to the Director of Health. The federal hospital price transparency rule adopted by CMS has been effective since January 1, 2021, so hospitals should be providing at least some of this information currently. However, to the extent that there are any differences between the bill and federal requirements, there might be costs to government-owned hospitals.

### **Health duties**

The bill requires the Director of Health to monitor each hospital's compliance with the requirements specified above. In cases of noncompliance, the Ohio Department of Health (ODH) is required to impose fines and other penalties. When a violation is issued, the Director must require the hospital to submit a corrective action plan. The hospital must then provide a detailed description of the corrective action the hospital will take to address each violation. A corrective action plan is subject to review and approval by the Director. The Director must also create a public list of hospitals not in compliance with these requirements. Any administrative penalties collected are deposited into the Hospital Price Transparency Fund, which is created by the bill. Moneys in the fund are to be used to administer and enforce this law, though the Director may use a portion to inform the public about the availability of this information and other consumer rights. Lastly, the Director must submit reports regarding noncompliant hospitals, changes to the federal price transparency law, and recommendations for changing state hospital price transparency requirements to the General Assembly and the Governor.

Any government-owned hospital not in compliance with the bill's requirements would have to pay a penalty. ODH will experience an increase in costs to evaluate complaints, monitor compliance, monitor corrective action, post a list of noncompliant hospitals on its website, and to prepare the required reports. ODH's total costs will depend a great deal on the number of hospitals not in compliance with transparency requirements and the amount of time required to review, approve, and monitor corrective plans. However, the bill establishes administrative penalties which may help to offset some of these costs. The amount of penalty revenue will depend on the number and size of hospitals that are not in compliance.