



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 147 (Substitute S-1)
Sponsor: Senator Joe Hune
Committee: Health Policy

Date Completed: 3-17-16

CONTENT

The bill would amend the Public Health Code to do the following:

- **Require a hospital that used a charge description master (CDM) to make it available on the hospital's website or at the hospital location, as applicable.**
- **Require a hospital to post a notice informing patients that the CDM was available.**
- **Prohibit a hospital from entering into any contract that prevented it from making its CDM available as required.**
- **Require the Department of Licensing and Regulatory Affairs (LARA) to investigate complaints regarding violations of the CDM requirements, and authorize LARA to impose an administrative fine of up to \$1,000 per day for a violation.**

"Charge description master" would mean a uniform schedule of charges represented by the hospital as its gross billed charge for a given service or item, regardless of payer type.

The bill would require a hospital that used a CDM to make it available by posting an electronic copy in a conspicuous location on the hospital's internet website. If the hospital had no website, it would have to make a written or electronic copy available at the hospital location. In addition, the hospital would have to post a clear and conspicuous notice in its emergency department, if any, admissions office, and billing office informing patients that the CDM was available in the manner described in the bill. A CDM made available under the bill would have to be written in plain English. A hospital could not enter into any contract that prevented it from making its CDM available as required.

Any person could file a claim with LARA alleging a violation of the bill's requirements. The Department would have to investigate and inform the complaining person of its determination regarding whether a violation had occurred and what action LARA would take. The Department could impose an administrative fine of up to \$1,000 per day for a violation.

The bill would take effect one year after it was enacted.

Proposed MCL 333.21517

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have a very minor, but positive fiscal impact on the Bureau of Health Care Services within the Department of Licensing and Regulatory Affairs, and no fiscal impact on local units of government. It is likely that little revenue would be generated by the

administrative fine for violations of the bill, but any revenue resulting from the fine would be used to support the regulation of licensed health care facilities.

Fiscal Analyst: Josh Sefton

S1516\s147sb

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.