



## **Health Care Transparency Ordinance (AO 2017-26) FAQ**

### **4.14.17**

The Anchorage Assembly recently passed a health care price transparency law to empower health care consumers receiving services in Anchorage. AO 2017-26 builds on prior efforts of a growing number of jurisdictions that have adopted similar laws, including, most recently Florida and Ohio.

In a system where patients are often unable to obtain clear and complete information about the costs of services until a bill later arrives in the mail, individuals are put at significant disadvantage. Aside from being hindered in their ability to make cost-benefit calculations or to "shop around," individuals may also be unable to simply arrange their own financial affairs - it is difficult to save or plan for an expense without having some sense of how large it will be.

While the ordinance is principally intended to aid health care consumers, it may provide incidental benefit to practitioners and facilities as well. At least one hospital network has concluded that providing estimates to patients prior to services being performed measurably increases the likelihood that patients will ultimately pay.

These FAQ's are designed to provide practitioners, facility managers and consumers with a brief overview of ordinance AO 2017-26. It is recommended that all practitioners, facility managers and consumers read the ordinance in its entirety for the specific requirements as defined in the ordinance. To read the ordinance, please go to: [www.muni.org/coho](http://www.muni.org/coho).

### **What is it?**

Anchorage Municipal Ordinance AO 2017-26 requires health care practitioners and facilities in Anchorage to provide cost estimates to patients who request such information. Upon request by a patient, and within 10 business days from receiving the request, AO 2017-26 requires health care practitioners and facilities, to provide a written or electronic estimate of reasonably anticipated health care charges to treat the patient's condition when receiving nonemergency medical services. In addition, the ordinance requires health care practitioners and facilities to post a sign in patient waiting areas with specific language regarding requesting cost estimates.

### **When did this pass?**

February 28, 2017 by the Anchorage Assembly.

**When will it start being enforced?**

The law is effective April 29, 2017. However, active enforcement of AO 2017-26 will begin September 1, 2017. The fine for failing to provide a patient with a written or electronic cost estimate within 10 business days or failing to post the sign is \$100/day until provided/posted, not to exceed \$1,000. Please note that municipal enforcement officers work to resolve violations without fines whenever possible. The ability to correct a violation is usually provided before a citation is issued.

**What do Health Care Facilities need to do?**

Post a sign in patient waiting areas and provide an estimate of reasonably anticipated charges to patients upon request within 10 business days of receiving the request.

**What are the required components of the estimate?**

For the required components of the estimate, please refer to Section C of AO 2017-26: "Required Components of Estimate." Requirements include a description of the procedures and services, the billing codes associated with those procedures or services, any facility or additional fees, "rack" or individualized charges, the identity of others that may charge, and notice to consult with insurer.

**Where can I get a copy of the sign?**

Please download the sign from the website [www.muni.org/coho](http://www.muni.org/coho).

**I share a reception area with other practitioners – do we all need to post a sign?**

If there are separate billing areas, then yes. If there is a place where the sign is visible to all patients/clients, then one sign is appropriate.

**Do I also need to publish a price list?**

No, this ordinance does not require providers to publish price lists, or to determine their most commonly ordered services or procedures. However, if a State law is passed that requires this, then practitioners must comply with both State and Municipal laws.

**I operate outside of Anchorage, do I have to comply with this?**

No, this ordinance applies only to practitioners and facilities operating in the Municipality of Anchorage.

**Does this law apply to emergency services?**

No, the ordinance does not apply to emergency services, and does not prohibit actual charges from differing from the estimate.

**For more information, and for a complete copy of the AO 2017-26, please visit our website at [www.muni.org/coho](http://www.muni.org/coho). To make a request for additional information, please call 907.343.4260.**