

Stormont Vail Health Written Testimony in Opposition to HB 2825

Thank you, Chairman Sutton and members of the House Insurance Committee, for allowing Stormont Vail Health to provide testimony. My name is Stacie Mason and I am the Chief Financial Officer and Senior Vice President at Stormont Vail Health system based in Topeka and Geary County, Kansas. Today, Stormont Vail is the second largest health care system in the state with over 5,700 team members providing care to over 219,000 unique patients in our hospitals and over 793,000 patients in our care clinics across 16 counties in northeast Kansas. I am writing to express opposition to HB 2825, which seeks to impose additional hospital pricing transparency requirements. I urge you to reconsider this legislation for several critical reasons outlined below:

Redundancy to Federal Legislation:

First and foremost, HB 2825 is redundant given existing federal legislation. The Hospital Price Transparency Final Rule, established by the Centers for Medicare & Medicaid Services (CMS) since January 1, 2021, already mandates hospitals to disclose standard charges through comprehensive machine-readable files. This legislation would merely duplicate efforts already in place, adding unnecessary administrative burdens and costs to hospitals like ours.

Current Hospital Price Transparency Requirements:

It is crucial to emphasize the comprehensive nature of existing hospital price transparency requirements. Since January 1, 2021, hospitals have been mandated to provide standard charges in machine-readable formats, updated annually, and displayed in a consumer-friendly manner on a publicly available website. Additionally, the assertion that hospitals are not compliant with existing transparency standards is unfounded. According to data from the Centers for Medicare & Medicaid Services (CMS), compliance rates have significantly improved, with 70% of hospitals meeting the requirements of the Hospital Price Transparency Rule in 2022, up from 27% in 2021. To date, no Kansas hospitals have been fined by CMS for being out of compliance with the federal legislation. Compliance is monitored by CMS through audits and complaints, with penalties for non-compliance. These requirements ensure transparency while allowing patients to make informed decisions about their healthcare needs.

Solution in Search of a Nonexistent Problem:

Furthermore, HB 2825 represents a solution in search of a problem that does not exist. Hospitals, including Stormont Vail Health, has been actively engaged with CMS and have diligently complied with federal transparency standards. CMS audits and oversight ensure that hospitals maintain compliance, and any deviations are promptly rectified. In the event of audits, we have promptly addressed any identified issues and worked diligently to achieve compliance within specified timeframes. This collaborative approach ensures that patients receive accurate and accessible pricing information while minimizing administrative burdens on hospitals. Therefore, imposing additional state-level regulations is unwarranted and would only serve to burden hospitals financially and operationally.

Financial Burden on Hospitals:

HB 2825, if enacted, would inflict severe financial harm on hospitals. The complexity of hospital financial systems requires significant time and resources to implement price transparency standards. Though the public health emergency for COVID-19 has ended, hospitals are still recovering from the financial and personnel strain caused by the pandemic. There is little margin to spare as hospitals grapple with increased health care cost, clinical demand, and new regulatory requirements. Stormont Vail Health, like many hospitals, has already invested substantial resources in compliance efforts with federal



regulations. Additional mandates imposed by HB 2825 would strain our already stretched resources, diverting funds away from patient care and essential services.

In conclusion, HB 2825 is unnecessary, burdensome, and duplicative of existing federal regulations. Stormont Vail Health urges the Committee to reject this legislation and instead work together to create solutions that support patients and hospitals. Together, let us prioritize patient-centered care and fiscal responsibility while avoiding unnecessary regulatory burdens on hospitals.

Thank you for considering our perspective on this critical issue.

Sincerely,

Stacie Mason, MBA
Senior Vice President and Chief Financial Officer/Treasurer
Stormont Vail Health