



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

### HB2609

Introduced 2/15/2023, by Rep. Jed Davis

#### SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.990 new

110 ILCS 330/11 new

210 ILCS 85/6.14a

210 ILCS 85/9.9 new

Creates the Hospital Price Transparency Act. Provides that, notwithstanding any other provision of law, a facility (a hospital licensed under the Hospital Licensing Act, organized under the University of Illinois Hospital Act, or licensed under the Ambulatory Surgical Treatment Center Act) must make specified information public. Requires facilities to maintain lists of standard charges and shoppable services and ensure that the lists are available at all times to the public. Contains reporting requirements. Requires the Department of Public Health to monitor each facility's compliance with the requirements of the Act and to enforce compliance with the Act. Provides that facilities that violate the Act must submit and implement a corrective action plan. Establishes the Hospital Price Transparency Fund as a special fund in the State treasury and makes a conforming change in the State Finance Act. Requires administrative penalties collected under the Act to be deposited into the Fund. Provides that moneys in the Fund shall be used by the Department for expenses relating to the implementation, administration, and enforcement of the Act. Contains other provisions. Amends the University of Illinois Hospital Act. Requires the University of Illinois Hospital to comply with the Hospital Price Transparency Act. Amends the Hospital Licensing Act. Provides that any report submitted to the Department under the Hospital Price Transparency Act and any information or data contained in such a report is subject to disclosure to the public by the Department. Requires hospitals licensed under the Act to comply with the Hospital Price Transparency Act. Effective January 1, 2024.

LRB103 05300 CPF 53530 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Hospital Price Transparency Act.

6 Section 5. Definitions.

7 "Ancillary service" means a facility item or service that  
8 a facility customarily provides as part of a shoppable  
9 service.

10 "Chargemaster" means a list of all facility items or  
11 services maintained by a facility for which the facility has  
12 established a charge.

13 "De-identified maximum negotiated charge" means the  
14 highest charge that a facility has negotiated with all  
15 third-party payors for a facility item or service.

16 "De-identified minimum negotiated charge" means the lowest  
17 charge that a facility has negotiated with all third-party  
18 payors for a facility item or service.

19 "Department" means the Department of Public Health.

20 "Director" means the Director of Public Health.

21 "Discounted cash price" means the charge that applies to  
22 an individual who pays cash, or a cash equivalent, for a  
23 facility item or service.

1 "Facility" means a hospital licensed under the Hospital  
2 Licensing Act, organized under the University of Illinois  
3 Hospital Act, or licensed under the Ambulatory Surgical  
4 Treatment Center Act.

5 "Facility item or service" means an item, service, or  
6 service package, including, but not limited to, an item,  
7 service, or service package that may be provided by a facility  
8 to a patient in connection with an inpatient admission or an  
9 outpatient department visit, for which the facility has  
10 established a standard charge. "Facility item or service"  
11 includes, but is not limited to, the following:

12 (1) Supplies and procedures.

13 (2) Room and board.

14 (3) Use of the facility and facility areas, the  
15 charges for which are generally referred to as facility  
16 fees.

17 (4) Services of physicians and nonphysician  
18 practitioners employed by a facility, the charges for  
19 which are generally referred to as professional charges.

20 (5) Any other item or service for which a facility has  
21 established a standard charge.

22 "Fund" means the Hospital Price Transparency Fund  
23 established under subsection (f) of Section 40.

24 "Gross charge" means the charge for a facility item or  
25 service that is reflected on a facility's chargemaster, absent  
26 any discounts.

1 "Hospital Licensing Board" means the Hospital Licensing  
2 Board created under Section 10 of the Hospital Licensing Act.

3 "Machine-readable format" means a digital representation  
4 of information in a file that can be imported or read into a  
5 computer system for further processing. "Machine-readable  
6 format" includes PDF, .XML, .JSON, and .CSV formats.

7 "Payor-specific negotiated charge" means the charge that a  
8 facility has negotiated with a third-party payor for a  
9 facility item or service.

10 "Service package" means an aggregation of individual  
11 facility items or services into a single service with a single  
12 charge.

13 "Shoppable service" means a service that may be scheduled  
14 by a patient in advance.

15 "Standard charge" means a regular rate established by a  
16 facility for a facility item or service provided to a specific  
17 group of paying patients. "Standard charge" includes all of  
18 the following:

- 19 (1) A gross charge.
- 20 (2) A payor-specific negotiated charge.
- 21 (3) A de-identified minimum negotiated charge.
- 22 (4) A de-identified maximum negotiated charge.
- 23 (5) A discounted cash price.

24 "Third-party payor" means a person or entity who is  
25 legally responsible for payment of a claim for a facility item  
26 or service by contract or agreement.

1 Section 10. Public availability of price information.  
2 Notwithstanding any other provision of law, a facility must  
3 make public:

4 (1) a digital file that contains a list of all  
5 standard charges for all facility items or services as  
6 required under Section 15 in PDF format or another  
7 machine-readable format;

8 (2) a consumer-friendly list of standard charges for a  
9 limited set of shoppable services as required under  
10 Section 20; and

11 (3) 8 physical copies of the digital file in paragraph  
12 (1) which are available in the public area of the facility  
13 and can be taken by members of the public for their  
14 reference.

15 Section 15. List of standard charges.

16 (a) A facility shall:

17 (1) maintain a list of all standard charges for all  
18 facility items or services in accordance with this  
19 Section; and

20 (2) ensure that the list is available at all times to  
21 the public, including, but not limited to, by posting the  
22 list electronically in accordance with this Section.

23 (b) The standard charges contained in the list required to  
24 be maintained by a facility under subsection (a) must reflect

1 the standard charges applicable to that facility location,  
2 regardless of whether the facility operates in more than one  
3 location or operates under the same license as another  
4 facility.

5 (c) The list required under subsection (a) must include  
6 the following items, as applicable:

7 (1) A description of each facility item or service  
8 provided by the facility.

9 (2) Standard charges for each facility item or service  
10 provided in either an inpatient or outpatient setting. If  
11 a standard charge is a payor-specific negotiated charge,  
12 it must be listed by the name of the third-party payor and  
13 the plan associated with the charge and displayed in a  
14 manner that clearly associates the charge with each  
15 third-party payor and plan.

16 (3) Any code used by the facility for purposes of  
17 accounting or billing for the facility item or service,  
18 including the Current Procedural Terminology (CPT) code,  
19 the Healthcare Common Procedure Coding System (HCPCS)  
20 code, the Diagnosis Related Group (DRG) code, the National  
21 Drug Code (NDC), or another common identifier.

22 (d) The information contained in the list required under  
23 subsection (a) must be published in a single digital file in  
24 PDF format. Facilities may post identical information in a  
25 separate file in any machine-readable format.

26 (e) The list required under subsection (a) must be

1 displayed in a prominent location, or accessible by selecting  
2 a dedicated link that is prominently displayed on the home  
3 page of the facility's publicly accessible website. If the  
4 facility operates multiple locations and maintains a single  
5 website, the list required under subsection (a) must be posted  
6 for each location the facility operates in a manner that  
7 clearly associates the list with the applicable location of  
8 the facility. Physical copies must also be made available in  
9 the lobby or other public areas of the facility for members of  
10 the public to take with them.

11 (f) The list required under subsection (a) must:

12 (1) be available:

13 (A) free of charge;

14 (B) without having to establish a user account or  
15 password;

16 (C) without having to submit personal identifying  
17 information; and

18 (D) without having to overcome any other  
19 impediment, including entering a code to access the  
20 list;

21 (2) be accessible to a common commercial operator of  
22 an Internet search engine to the extent necessary for the  
23 search engine to index the list and display the list as a  
24 result in response to a search query of a user of the  
25 search engine;

26 (3) be formatted in a manner prescribed by the

1 Department;

2 (4) be digitally searchable; and

3 (5) use the naming convention specified by the federal  
4 Centers for Medicare and Medicaid Services.

5 (g) In prescribing the format of the list as required  
6 under paragraph (3) of subsection (f), the Department shall  
7 develop a template that each facility must use in formatting  
8 the list. In developing the template, the Department shall:

9 (1) consider any applicable federal guidelines for  
10 formatting similar lists required by federal law or rule  
11 and ensure that the design of the template enables health  
12 care researchers to compare the charges contained in the  
13 lists maintained by each facility; and

14 (2) design the template to be substantially similar to  
15 the template used by the Centers for Medicare and Medicaid  
16 Services for purposes similar to those of this Act, if the  
17 Department determines that designing the template in that  
18 manner serves the purposes of paragraph (1) and that the  
19 Department benefits from developing and requiring that  
20 substantially similar design.

21 (h) A facility must update the list required under  
22 subsection (a) at least once each year. The facility must  
23 clearly indicate the date on which the list was most recently  
24 updated, either on the list or in a manner that is clearly  
25 associated with the list.



1 Section 20. Consumer-friendly list of shoppable services.

2 (a) Except as provided under subsection (c), a facility  
3 shall maintain and make publicly available a list of the  
4 standard charges described under paragraph (2) of subsection  
5 (c) of Section 15 for each of at least 300 shoppable services  
6 provided by the facility. Physical copies must also be made  
7 available in the lobby or other public areas of the facility  
8 for members of the public to take with them. The facility may  
9 select the shoppable services to be included in the list,  
10 except that the list must include:

11 (1) the 70 services specified as shoppable services by  
12 the Centers for Medicare and Medicaid Services; or

13 (2) if the facility does not provide all of the  
14 shoppable services described under paragraph (1), as many  
15 of those shoppable services that the facility does  
16 provide.

17 (b) In selecting a shoppable service for purposes of  
18 inclusion in the list required under subsection (a), a  
19 facility must:

20 (1) consider how frequently the facility provides the  
21 service and the facility's billing rate for that service;  
22 and

23 (2) prioritize the selection of services that are  
24 among the services most frequently provided by the  
25 facility.

26 (c) If a facility does not provide at least 300 shoppable

1 services, the facility must maintain a list of the total  
2 number of shoppable services that the facility provides in a  
3 manner that otherwise complies with the requirements of  
4 subsection (a).

5 (d) The lists required under subsections (a) and (c) must:

6 (1) include:

7 (A) a plain-language description of each shoppable  
8 service included on the list;

9 (B) the payor-specific negotiated charge that  
10 applies to each shoppable service included on the list  
11 and any ancillary service, listed by the name of the  
12 third-party payor and plan associated with the charge  
13 and displayed in a manner that clearly associates the  
14 charge with the third-party payor and plan;

15 (C) the discounted cash price that applies to each  
16 shoppable service included on the list and any  
17 ancillary service or, if the facility does not offer a  
18 discounted cash price for one or more of the shoppable  
19 or ancillary services on the list, the gross charge  
20 for the shoppable service or ancillary service, as  
21 applicable;

22 (D) the de-identified minimum negotiated charge  
23 that applies to each shoppable service included on the  
24 list and any ancillary service;

25 (E) the de-identified maximum negotiated charge  
26 that applies to each shoppable service included on the

1 list and any ancillary service; and

2 (F) any code used by the facility for purposes of  
3 accounting or billing for each shoppable service  
4 included on the list and any ancillary service,  
5 including the Current Procedural Terminology (CPT)  
6 code, the Healthcare Common Procedure Coding System  
7 (HCPCS) code, the Diagnosis Related Group (DRG) code,  
8 the National Drug Code (NDC), or another common  
9 identifier; and

10 (2) if applicable:

11 (A) state each location at which the facility  
12 provides the shoppable service and whether the  
13 standard charges included in the list apply at that  
14 location to the provision of that shoppable service in  
15 an inpatient setting, an outpatient department  
16 setting, or in both of those settings, as applicable;  
17 and

18 (B) indicate if one or more of the shoppable  
19 services specified by the Centers for Medicare and  
20 Medicaid Services is not provided by the facility.

21 (e) The lists required under subsections (a) and (c) must  
22 be:

23 (1) displayed in the manner prescribed under  
24 subsection (e) of Section 15 for the list required under  
25 that subsection;

26 (2) available:

1 (A) free of charge;

2 (B) without having to register or establish a user  
3 account or password;

4 (C) without having to submit personal identifying  
5 information; and

6 (D) without having to overcome any other  
7 impediment, including, but not limited to, entering a  
8 code to access the list;

9 (3) searchable by service description, billing code,  
10 and payor;

11 (4) updated in the manner prescribed under subsection  
12 (h) of Section 15;

13 (5) accessible to a common commercial operator of an  
14 Internet search engine to the extent necessary for the  
15 search engine to index the list and display the list as a  
16 result in response to a search query of a user of the  
17 search engine; and

18 (6) formatted in a manner that is consistent with the  
19 format prescribed by the Department under paragraph (3) of  
20 subsection (f) of Section 15.

21 (f) Notwithstanding any other provision of this Section, a  
22 facility meets the requirements of this Section if the  
23 facility maintains, as determined by the Department, an  
24 Internet-based price estimator tool that:

25 (1) provides a cost estimate for each shoppable  
26 service and any ancillary service included on the list

1 maintained by the facility under subsection (a);

2 (2) allows a person to obtain an estimate of the  
3 amount the person will be obligated to pay the facility if  
4 the person elects to use the facility to provide the  
5 service; and

6 (3) is:

7 (A) prominently displayed on the facility's  
8 publicly accessible website; and

9 (B) accessible to the public:

10 (i) without charge; and

11 (ii) without having to register or establish a  
12 user account or password.

13 Section 25. Reporting requirement. Each time a facility  
14 updates a list as required under subsection (h) of Section 15  
15 and paragraph (4) of subsection (e) of Section 20, the  
16 facility shall submit the updated list to the Department. The  
17 Department shall prescribe the form in which the updated list  
18 must be submitted to the Department.

19 Section 30. Monitoring and enforcement.

20 (a) The Department shall monitor each facility's  
21 compliance with the requirements of this Act using any of the  
22 following methods:

23 (1) evaluating complaints made by persons to the  
24 Department regarding noncompliance with this Act;

1           (2) reviewing any analysis prepared regarding  
2 noncompliance with this Act;

3           (3) auditing the websites of facilities for compliance  
4 with this Act; and

5           (4) confirming that each facility submitted the lists  
6 required under Section 25.

7           (b) If the Department determines that a facility is not in  
8 compliance with any provision of this Act, the Department may  
9 take any of the following actions in any order:

10           (1) Provide a written notice to the facility that  
11 clearly explains the manner in which the facility is not  
12 in compliance with this Act.

13           (2) Request a corrective action plan from the facility  
14 if the facility has materially violated a provision of  
15 this Act, as determined under Section 35.

16           (3) Impose an administrative penalty on the facility  
17 and publicize the penalty on the Department's website if  
18 the facility fails to:

19                   (A) respond to the Department's request to submit  
20 a corrective action plan; or

21                   (B) comply with the requirements of a corrective  
22 action plan submitted to the Department.

23           Section 35. Material violation; corrective action plan.

24           (a) A facility materially violates this Act if the  
25 facility fails to:

- 1           (1) comply with the requirements of Section 10; or  
2           (2) publicize the facility's standard charges in the  
3 form and manner required under Sections 15 and 20.

4           (b) If the Department determines that a facility has  
5 materially violated this Act, the Department shall issue a  
6 notice of material violation to the facility and request that  
7 the facility submit a corrective action plan within 30 days of  
8 the date of the notice. The notice must indicate the form and  
9 manner in which the corrective action plan must be submitted  
10 to the Department and clearly state the date by which the  
11 facility must submit the plan.

12           (c) A facility that receives a notice under subsection (b)  
13 must:

14           (1) submit a corrective action plan in the form and  
15 manner, and by the specified date, prescribed by the  
16 notice of violation; and

17           (2) complete the steps in the corrective actions plan  
18 within 30 days of the Department's acceptance of the  
19 corrective action plan.

20           (d) A corrective action plan submitted to the Department  
21 under subsection (c) must:

22           (1) describe in detail the corrective action the  
23 facility will take to address any violation identified by  
24 the Department in the notice provided under subsection  
25 (b); and

26           (2) confirm that the facility will complete the

1 corrective action described under paragraph (1) within 30  
2 days of the Department's acceptance of the corrective  
3 action plan.

4 (e) A corrective action plan submitted under this Section  
5 is subject to review and approval by the Department. After the  
6 Department reviews and approves a facility's corrective action  
7 plan, the Department shall notify the facility and shall  
8 monitor and evaluate the facility's compliance with the  
9 corrective action plan.

10 (f) A facility fails to respond to the Department's  
11 request to submit a corrective action plan if the facility  
12 fails to submit a corrective action plan:

13 (1) in the form and manner specified in the notice  
14 provided under subsection (b); or

15 (2) by the date specified in the notice provided under  
16 subsection (b).

17 (g) A facility fails to comply with a corrective action  
18 plan if the facility fails to address a violation within the  
19 specified period of time contained in the corrective action  
20 plan.

21 Section 40. Administrative penalty.

22 (a) The Department shall impose an administrative penalty  
23 on a facility in accordance with Section 7 of the Hospital  
24 Licensing Act if the facility fails to:

25 (1) respond to the Department's request to submit a



1 corrective action plan within the timeline in subsection  
2 (b) of Section 35; or

3 (2) comply with the requirements of a corrective  
4 action plan submitted to the Department.

5 (b) The Department shall impose an administrative penalty  
6 on a facility for each violation of a requirement under this  
7 Act. The Department shall set the penalty in an amount  
8 sufficient to ensure compliance with this Act, subject to the  
9 limitations prescribed by subsection (c).

10 (c) For a facility with one of the following total gross  
11 revenues as reported to the Centers for Medicare and Medicaid  
12 Services or to another entity designated by the Department by  
13 rule in the year preceding the year in which a penalty is  
14 imposed, the penalty imposed by the Department shall not  
15 exceed:

16 (1) \$1,000 for each day the facility violated this  
17 Act, if the facility's total gross revenue is less than  
18 \$10,000,000;

19 (2) \$3,000 for each day the facility violated this  
20 Act, if the facility's total gross revenue is at least  
21 \$10,000,000 and less than \$100,000,000; and

22 (3) \$5,000 for each day the facility violated this  
23 Act, if the facility's total gross revenue is \$100,000,000  
24 or more.

25 (d) Each day a violation continues is a separate  
26 violation.

1 (e) In determining the amount of an administrative penalty  
2 under this Section, the Department shall consider:

3 (1) previous violations by the facility's operator;

4 (2) the seriousness of the violation;

5 (3) the demonstrated good faith of the facility's  
6 operator; and

7 (4) any other matter justice may require.

8 (f) The Hospital Price Transparency Fund is established as  
9 a special fund in the State treasury. Administrative penalties  
10 collected under this Act shall be deposited into the Fund.  
11 Moneys in the Fund shall be used by the Department for expenses  
12 relating to the implementation, administration, and  
13 enforcement of this Act.

14 Section 45. Legislative recommendations. The Department  
15 may propose recommendations to the General Assembly for  
16 amendments to this Act, including, but not limited to,  
17 recommendations in response to amendments by the federal  
18 Centers for Medicare and Medicaid Services to 45 CFR 180.

19 Section 50. Hearings; Illinois Administrative Procedure  
20 Act.

21 (a) The procedure governing hearings under this Act shall  
22 be in accordance with rules adopted by the Department and  
23 approved by the Hospital Licensing Board. A full and complete  
24 record shall be kept of all proceedings, including the notice

1 of hearing, complaint, and all other documents in the nature  
2 of pleadings, written motions filed in the proceedings, and  
3 the report and orders of the Director and hearing officer. All  
4 testimony shall be reported but need not be transcribed unless  
5 the decision is appealed. A copy or copies of the transcript  
6 may be obtained by any interested party on payment of the cost  
7 of preparing such copy or copies.

8 (b) The provisions of the Illinois Administrative  
9 Procedure Act are hereby expressly adopted and shall apply to  
10 all administrative rules and procedures of the Department  
11 under this Act, except that Section 5-35 of the Illinois  
12 Administrative Procedure Act relating to procedures for  
13 rulemaking does not apply to the adoption of any rule required  
14 by federal law in connection with which the Department is  
15 precluded by law from exercising any discretion.

16 Section 65. The State Finance Act is amended by adding  
17 Section 5.990 as follows:

18 (30 ILCS 105/5.990 new)

19 Sec. 5.990. The Hospital Price Transparency Fund.

20 Section 70. The University of Illinois Hospital Act is  
21 amended by adding Section 11 as follows:

22 (110 ILCS 330/11 new)

1       Sec. 11. Compliance with the Hospital Price Transparency  
2 Act. The University of Illinois Hospital shall comply with the  
3 Hospital Price Transparency Act.

4       Section 75. The Hospital Licensing Act is amended by  
5 changing Section 6.14a and by adding Section 9.9 as follows:

6       (210 ILCS 85/6.14a)

7       Sec. 6.14a. Public disclosure of information. The  
8 following information is subject to disclosure to the public  
9 from the Department:

10           (1) Information submitted under Section 5 of this Act;

11           (2) Final records of license and certification  
12 inspections, surveys, and evaluations of hospitals; ~~and~~

13           (3) Investigated complaints filed against a hospital  
14 and complaint investigation reports, except that a  
15 complaint or complaint investigation report shall not be  
16 disclosed to a person other than the complainant or  
17 complainant's representative before it is disclosed to a  
18 hospital, and except that a complainant or patient's name  
19 shall not be disclosed; and -

20           (4) Reports, and any information or data contained in  
21 a report, submitted to the Department under the Hospital  
22 Price Transparency Act.

23       The Department shall disclose information under this  
24 Section in accordance with provisions for inspection and

1 copying of public records required by the Freedom of  
2 Information Act.

3 However, the disclosure of information described in  
4 subsection (1) shall not be restricted by any provision of the  
5 Freedom of Information Act.

6 Notwithstanding any other provision of law, under no  
7 circumstances shall the Department disclose information  
8 obtained from a hospital that is confidential under Part 21 of  
9 Article VIII of the Code of Civil Procedure.

10 No ~~Any~~ records or reports of inspections, surveys, or  
11 evaluations of hospitals may be disclosed until ~~only after~~ the  
12 acceptance of a plan of correction by the Health Care  
13 Financing Administration of the U.S. Department of Health and  
14 Human Services or the Department, as appropriate, or at the  
15 conclusion of any administrative review of the Department's  
16 decision, or at the conclusion of any judicial review of such  
17 administrative decision. Whenever any record or report is  
18 subject to disclosure under this Section, the Department shall  
19 permit the hospital to provide a written statement pertaining  
20 to such report which shall be included as part of the  
21 information to be disclosed. The Department shall not divulge  
22 or disclose any record or report in a manner that identifies or  
23 would permit the identification of any natural person.

24 (Source: P.A. 98-463, eff. 8-16-13.)

25 (210 ILCS 85/9.9 new)

1       Sec. 9.9. Compliance with the Hospital Price Transparency  
2       Act. A hospital licensed under this Act shall comply with the  
3       Hospital Price Transparency Act.

4       Section 99. Effective date. This Act takes effect January  
5       1, 2024.