

State of South Dakota

EIGHTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2008

715P0168

SENATE HEALTH AND HUMAN SERVICES

ENGROSSED NO. **SB 182** - 2/6/2008

Introduced by: Senators Dempster, Hansen (Tom), Heidepriem, Jerstad, Katus, McCracken, Napoli, and Smidt (Orville) and Representatives Dykstra, Cutler, Dennert, Halverson, Hunt, Krebs, Lust, Miles, Rave, Street, and Willadsen

1 FOR AN ACT ENTITLED, An Act to expand the disclosure of inpatient hospital charges and
2 to provide for the development of a system for the disclosure of charges for outpatient
3 procedures.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 34-12E-11 be amended to read as follows:

6 34-12E-11. Any hospital licensed pursuant to chapter 34-12 shall report annually to the
7 ~~Department of Health the charges for the twenty-five most common inpatient diagnostic-related~~
8 ~~groups~~ South Dakota Association of Healthcare Organizations the charge information as
9 described in § 34-12E-13 for that hospital's All Patient Refined Diagnosis-Related Groups for
10 which ~~there are~~ that hospital had at least ten cases ~~rendered by the hospital~~ during the twelve
11 months preceding the report. The Department of Health shall promulgate rules pursuant to
12 chapter 1-26 to provide for the reporting of ~~charges~~ the charge information by hospitals. The
13 rules shall include:

14 (1) The method for hospitals to report charges ~~to the department; and~~ and



- 1 (2) Standards that provide for the validity and comparability of charge reports; ~~and~~
- 2 ~~(3) The format for making charge reports available to the public.~~

3 Section 2. That chapter 34-12E be amended by adding thereto a NEW SECTION to read as
4 follows:

5 The South Dakota Association of Healthcare Organizations shall develop a web-based
6 system, available to the public at no cost, for reporting the charge information of hospitals. The
7 charge information shall include disclaimers regarding factors, including case severity ratings
8 and individual patient variations, which may affect actual charges to a patient for services
9 rendered. The website shall provide information that compares hospital-specific data to hospital
10 statewide data. The website shall be established by June 1, 2009, and shall be updated no less
11 than annually.

12 Section 3. That § 34-12E-12 be amended to read as follows:

13 34-12E-12. The Department of Health shall ~~make available the hospital charge reports~~
14 ~~required by § 34-12E-11~~ provide a link to the web-based system developed pursuant to section
15 2 of this Act on its website. ~~The charge reports shall include disclaimers regarding factors,~~
16 ~~including case severity ratings and individual patient variations, which may affect actual charges~~
17 ~~to a patient for services rendered. Upon request, the department shall provide the charge reports~~
18 ~~by first class mail.~~

19 Section 4. That § 34-12E-13 be amended to read as follows:

20 34-12E-13. For the purposes of §§ 34-12E-11 to 34-12E-13, ~~inclusive~~ and section 2 of this
21 Act, the term, charge information, is that amount that a hospital would expect to charge for an
22 ~~inpatient diagnostic-related group. Any charge that is required by §§ 34-12E-11 to 34-12E-13,~~
23 ~~inclusive, to be reported to the public shall be the median charge for all cases of the diagnostic-~~
24 ~~related group occurring in the twelve months preceding the report~~ includes the number of

1 discharges; average length of stay; average charge; median charge; demographic information;
2 payer mix; charges not paid and charges paid by medicare, medicaid, and other government
3 programs, and private insurance; and uncompensated care.

4 Section 5. That chapter 34-12E be amended by adding thereto a NEW SECTION to read as
5 follows:

6 The Department of Health shall, in collaboration with the South Dakota Association of
7 Healthcare Organizations and the South Dakota State Medical Association, develop a list of
8 outpatient procedures for the purpose of disclosure of charges to the public. The list shall be
9 developed by December 31, 2008.