

May 2, 2025

Senate Health and Human Services Committee
Nevada State Legislature
401 South Carson Street
Carson City, NV 89701

Sent electronically to: senhhs@sen.state.nv.us

RE: AB343– Price Transparency & Medical Debt

Dear Chair Doñate and Members of the Committee:

The Nevada Hospital Association has concerns about AB343 despite recent amendments. While we appreciate the bill's improved structure and acknowledge the improvements made, we remain unable to support it in its current form. The bill still extends beyond federal price transparency requirements in ways that create operational challenges for hospitals. Although the amendments have addressed some of our initial concerns, we still believe the remaining administrative requirements are overly burdensome, unnecessary and could cause confusion for consumers. We look forward to continuing dialogue on finding a balanced approach that achieves transparency goals without imposing undue burdens on hospitals.

Federal Price Transparency Rules Already in Effect

Hospitals in Nevada are already complying with comprehensive federal regulations set by the Centers for Medicare and Medicaid Services (CMS). These rules require hospitals to:

- Publish standard charges for all services in a machine-readable format or provide a price estimator tool for consumer access;
- Offer a consumer-friendly list of shoppable services; and
- Update this information annually.

AB343 essentially duplicates these federal requirements while adding Nevada-specific rules that unnecessarily complicate compliance. Section 14 of the bill requires hospitals to publish detailed information on each third party and each health benefit plan offered by the third party. This is a tremendous amount of information. The volume of information is overburdensome and consumers will be overwhelmed.

Limited Benefit to Consumers

The goal of price transparency laws is to empower patients with better information about healthcare costs. However, they often fail to meet the needs of the majority of patients. The posted charges are the hospital's standard charges. Few, if any, patients pay standard charges. The amount patients pay is typically based on their insurance coverage.

Here's why standard charges are of little value to consumers:

- **Medicaid patients (31% of inpatient volume)** receive free care with no copays or deductibles. The posted standard charges under federal law and the proposed state law are irrelevant to these patients.
- **Medicare patients (44% of inpatient volume)** receive set payments from Medicare that are substantially below the hospital's posted rates. Again, these standard charges are of little value to Medicare beneficiaries.
- **Commercial insurance patients (21% of inpatient volume)** have charges negotiated by their insurance companies. These rates are typically lower than the posted standard charges and vary by plan, making the posted standard charges mostly irrelevant.
- **Workers' compensation patients (<1% of inpatient volume)** are covered by negotiated rates, making standard charges largely irrelevant.
- **Uninsured patients (3.5% of inpatient volume)** often arrive at the hospital in an emergency rendering price comparisons infeasible. Moreover, many qualify for financial assistance under the hospital's charity care policies.

The reality is that very few patients actually pay the standard charges that transparency laws target. This is not an argument against price transparency but a call to reconsider the penalties proposed in AB343, given the limited value this information provides to patients.

Unreasonable Penalties in AB343

The penalties proposed in AB343 are far more severe than those under federal law. Federal penalties for non-compliance include:

- Monetary fines of \$300 per day for small hospitals (30 or fewer beds) and \$10 per bed per day for larger hospitals.
- Public disclosure of violations.
- Increased scrutiny and compliance audits.
- Corrective action plans.

These measures are designed to encourage compliance and transparency without unduly burdening healthcare providers.

AB343, however, proposes penalties that are far more severe, including:

- Daily fines start at \$5,000 for the first incident; and go to \$30,000 for each day after the fourth day per incident.
- Restrictions on medical debt collection.
- Attorney's fees and punitive damages of up to \$10,000 per violation.
- Class action liability of up to \$10 million or 1% of a healthcare entity's annual net income.

These extreme penalties will force hospitals to divert resources from patient care to regulatory compliance and legal defense. Ultimately, this will result in increased costs for consumers, without addressing the core issues of healthcare pricing or access.

Standard Audit Procedure

AB343 paves the way for expensive and unnecessary litigation. It allows individuals to deploy AI bots to scan hospital websites, interpret the law according to their own understanding, claim non-compliance, and threaten legal action. As a result, hospitals may face a flood of litigation threats and settlement demands for a service that provides minimal public benefit.

Given the complexities involved, CMS (Centers for Medicare & Medicaid Services) should be the only entity authorized to audit hospitals. We believe that effective price transparency must provide clear, accessible information that enables meaningful comparisons among providers. CMS should be tasked with auditing hospitals for compliance, given their expertise and understanding of the complexities involved. Ultimately, AB343 will increase the cost of healthcare without improving access, service, or quality.

Conclusion

While the amended AB343 contains improvements, we continue to have reservations about certain regulatory requirements and penalties that exceed what we believe is necessary for effective healthcare price transparency. We respectfully ask the committee to consider further revisions to the bill or to explore alternative approaches that would better balance transparency goals with operational feasibility. We welcome the opportunity to collaborate with legislators, healthcare providers, insurers, and patient advocates to develop solutions that align with existing federal standards, establish proportionate compliance measures, and



ultimately focus on meaningful insurance reforms that directly benefit patients without creating undue administrative complexities.

Thank you for your time and consideration.

Regards,

Patrick Kelly
President & CEO
Nevada Hospital Association