

Summary of Act 146 Implementation Plan

2009 Wisconsin Act 146 seeks to increase the transparency of medical costs and anticipated out-of-pocket expenses and to improve comparative quality information for health care consumers. It establishes requirements for health care providers, hospitals, and certain insurance plans, as well as for the Department of Health Services (DHS).

The laws enacted by Act 146 have an effective date of January 1, 2011.

1. Hospitals must disclose on request certain charges and provide available quality measures. Wis. Stat. 146.903(4)
2. Health insurers and self-insured health plans shall estimate insured's out-of-pocket costs on request under certain conditions. Wis. Stat. 632.798
3. Health care providers (individuals, clinics and ambulatory surgery centers, as defined in the Act) must disclose on request the median billed charge for any provided service, diagnostic test or procedure and provide available quality measures. Wis. Stat. 146.903(3)
4. Health care providers shall prepare a report listing available quality measures and certain charge and payment information as specified by the Department for the 25 most common presenting conditions. Wis. Stat. 146.903(3)
5. The Department shall specify technical aspects of the charge and payment reports to be prepared by health care providers. Wis. Stat. 146.903(2)
6. Health care providers and hospitals must display statements informing consumers of these rights. Wis. Stat. 146.903(3) and (4).
7. The Department may assess forfeitures against health care providers and hospitals for violations of these requirements. Wis. Stat. 146.903(5)

The implementation plan, containing technical details required under Wis. Stat. 146.903(2), has the following major characteristics. Note that the following only applies to the report to be compiled by health care providers regarding information for the 25 most common presenting conditions; it does not affect any other requirements placed on health care providers, hospitals or insurers by Act 146.

1. The complexity of specifying methodologies for charge and payment information and the lengthy and varied list of health care providers specified in the Act necessitated a phased implementation of the required report listing charge information for the 25 most common presenting conditions.
2. The Department has initially prescribed the calculation and presentation of provider reports only for physicians.
3. Physicians practicing individually or in associations of three or fewer physicians are exempt under the law. Associations are understood to be employment or business partnership relationships.
4. Physicians shall be categorized as one single type of health care provider for the purpose of calculating the 25 most common presenting conditions and corresponding median charges.
5. The Department used the claims database of the Wisconsin Health Information Organization and related software and data constructs to identify the 25 most

- common presenting conditions, operationalized as episode treatment groups. Those 25 medical conditions are specified in the implementation plan.
6. Physicians report charge and payment information and publically-available comparative quality information for the 5-10 services and procedures which, using Current Procedural Terminology (CPT) codes and the WHIO billed claims data, contribute the most to the total billed charges for each condition. The complete list of reporting services and procedures for each of the 25 medical conditions is specified in the implementation plan.
 7. Physicians who do not personally provide any listed service or procedure may report the related charge and payment information as “not applicable to this practice.”
 8. The report includes the physician’s median billed charge for each service and procedure listed, as defined in Wis. Stat. 146.903(1)(e): the amount charged, before any discount or contractual rate was applied, during the period January 1 through June 30 of the previous year. The Department encourages physicians to disclose the current charge as well.
 9. The report will include the physician’s current Medicare reimbursement for each service and procedure listed.
 10. The report includes the typical reimbursement in the physician’s geographic area of the state by private, third-party payers, for each service and procedure listed.
 11. The Department included a report template in the final implementation plan. The report presentation includes notes and caveats to be specified by the Department. Physicians may wish to add other notes and caveats.

Enforcement is on a complaint-driven basis. The Department has telephone and web-based services for registering consumer complaints; response procedures involve inquiry and education.

The complete implementation plan is available at dhs.wisconsin.gov/publications/p0/p00768.pdf