



## Alerts

### Wisconsin Department of Health Services Releases Final Implementation Plan for Wisconsin's Health Care Transparency Law

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*Health Care Alert*

The Wisconsin Department of Health Services (DHS) has issued its "Final Act 146 Implementation Plan," (final plan). The final plan is a description of the manner in which 2009 Wisconsin Act 146, the legislation commonly known as Wisconsin's "Health Care Transparency" law (HCT law), will be implemented in 2011. The HCT law, enacted on March 9, 2009, becomes effective January 1, 2011. It requires many health care providers, hospitals and insurers to provide greater transparency to consumers with regard to charges and reimbursement.

The final plan addresses the HCT law's requirement that health care providers must issue to consumers, upon request, a report regarding cost information for 25 common health conditions identified by DHS. (The plan focuses specifically on the development of these required standard reports. Hospitals, insurance plans and health care providers must still be mindful of other requirements under the HCT law that exceed the scope of this alert and the final plan.) The HCT law and the "near final" implementation plan previously released by DHS were summarized in two earlier issues of the *Hinshaw Health Law Alert*. The final plan reiterates the explanations provided by DHS in the "near final" draft. For example, the final plan confirms that implementation in 2011 is focused only on physicians (MDs and DOs), who will be treated by DHS as one type of health care provider, without any division by specialty. Those required to implement the HCT law as specified in the final plan are physicians who work in a private practice, clinic or ambulatory surgery center that has four or more physician providers. Physicians employed by a hospital who do not bill directly or individually for services are covered by the hospital's reporting.

The final plan provides new and essential information to physicians that was not included in the near final draft. Previously, DHS had identified the 25 conditions for which cost information must be reported. The final version of the plan identifies the five common procedural terminology (CPT) codes for each of these 25 conditions which must be addressed on a physician's standard report to consumers. With regard to the 25 identified conditions, physicians must provide the following information to consumers: (1) the relevant "median billed charge"; (2) the "Medicare payment" (if the physician is a certified Medicare provider); and (3) "the average allowable payment from private, third-party payers." The first two requirements were explained in the near final plan, and in prior issues of the *Hinshaw Health Law Alert*. The final plan provides further new instruction to physicians regarding the third requirement that physicians must report the average allowable payment from private third-party payers. DHS has acknowledged the difficulties that arise in determining the proper information to report under this category. The final plan offers the following guidance:

At least as an interim measure until this issue is better understood, physician providers shall report the typical reimbursement or discounted price or typical charge in the physicians' geographic area of the state by private third-party payers, for each applicable service and procedure in the CPT list for the conditions which the physician diagnoses or treats. Physicians should draw upon any of the available standard reference sources that provide such data. The Ingenix' Customized Fee Analyzer is one example of such a source. One example of an acceptable statistic is the median charge in the local area for the CPT-coded service. The source and statistic chosen should be clearly documented for consumers in the report's notes.



The final plan also provides a template for the standard reports that physicians are to prepare. The template, a chart identifying the five CPT codes for each of the 25 conditions which must be addressed on a physician's standard report to consumers, and a complete copy of the final plan are available through the DHS website at: <http://www.dhs.wisconsin.gov/2009wisact146/index.htm>.

For more information, please contact your regular [Hinshaw attorney](#).

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