



Kids deserve the best.



TO: Members of the Wisconsin State Assembly

FROM: Wisconsin Hospital Association
Ascension
Children's Wisconsin
Froedtert Health
Gundersen Health System
Mayo Clinic Health System
Mercyhealth
Rural Wisconsin Health Cooperative
SSMHealth
UnityPoint Health Meriter – Partner of UW Health
UW Health

DATE: February 17, 2020

RE: Pass Assembly Bill 841 – Clarifying Ability to Offer Prompt-Pay Discounts to Patients

On behalf of Wisconsin's hospitals and health systems, we want to thank the bipartisan group of legislative authors and Committee members who have supported Assembly Bill 841. This simple legislation will provide clarification to Wisconsin health care providers who want to offer discounts to patients who pay their bills timely.

A common-sense approach to reduce the costs for both patients and providers is to recognize that a health care provider can discount the amount that is owed by a patient when the patient pays his or her bill promptly. The provider would offer the discount to encourage the patient to pay the bill timely and to allow the provider to avoid collection costs. Assembly Bill 841 provides this clarification in Wisconsin law, while also conforming Wisconsin law to federal requirements and guidance from the U.S. Department of Health and Human Services Office of Inspector General that addresses prompt pay discounts.

As providers have weighed offering prompt-pay discounts to their patients, providers have considered the applicability of federal and state laws, guidance, and other factors. For example, there is an unpublished 2004 Wisconsin Attorney General opinion (attached) that stated, if certain conditions are met, prompt-pay discounts are allowed under Wisconsin law. Other views, however, have discouraged the practice.

Assembly Bill 841's clarification of Wisconsin law would eliminate an existing barrier that causes some health care providers to not offer certain discounts to their patients. This legislation provides regulatory consistency between state and federal requirements, removes a potential barrier to more efficient health care operations, and is clearly a benefit to patients that can help lower overall costs.

We ask you to request a vote on the Assembly floor for Assembly Bill 841.