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Int. No. 844-A

By Council Members Menin, Schulman, Narcisse, Abreu, Brannan, De La Rosa, Stevens, Bottcher, Feliz, Ung, Williams, Sanchez, Krishnan, Dinowitz, Hanks, Velázquez, Louis, Hanif, Marte, Lee, Avilés, Ossé, Salamanca, Riley, Cabán, Joseph, Brewer, Gutiérrez, Brooks-Powers, Restler, Moya, Richardson Jordan, Hudson, Ayala, Nurse, Gennaro, Won, Farías, Powers, Rivera, Kagan and the Public Advocate (Mr. Williams) (by request of the Manhattan, Queens, Brooklyn and Bronx Borough Presidents)

A Local Law to amend the New York city charter, in relation to establishing an office of healthcare accountability

Be it enacted by the Council as follows:

Section 1. Chapter 1 of the New York city charter is amended by adding a new section 20-q to read as follows:

§ 20-q. Office of healthcare accountability. a. Definitions. For purposes of this section, the following terms have the following meanings:

Director. The term "director" means the director of healthcare accountability.

Hospital. The term "hospital" has the same meaning as the term "general hospital," as defined in subdivision 10 of section 2801 of the public health law.

Major insurance provider. The term "major insurance provider" means a health insurance company whose business accounts for a significant portion of hospital payments in the city, as determined by the office.

Office. The term "office" means the office of healthcare accountability, except where otherwise provided.

b. Establishment of office. The mayor shall establish an office of healthcare accountability. Such office may be established as a standalone office or within any office of the mayor or within any department. Such office shall be headed by a director of healthcare accountability, who shall be appointed by the mayor or, if the

office is established within an agency other than the office of the mayor, by the head of such agency.

c. Powers and duties. The director shall have the power and duty to:

1. Provide recommendations to the mayor, council, comptroller, or trustees of the city pension systems regarding healthcare and hospital costs, including, but not limited to, the proportion of healthcare costs spent on hospital care. Such recommendations shall acknowledge and differentiate the needs of safety net hospitals and their reimbursements from Medicaid, and provide recommendations to the New York state commissioner of health to stabilize safety net hospitals;

2. Analyze city expenditures on healthcare costs for city employees, city retirees, and their dependents to the extent such information is publicly available;

3. Provide on the office's website in a simplified and publicly accessible format, information on the publicly available price of common hospital procedures. Such information shall be based on any publicly available information relating to the price of hospital procedures, including disclosures required pursuant to state and federal law, and shall be formatted in a way to allow for price comparisons between hospitals for such common procedures;

4. Convene key stakeholders in healthcare, including, but not limited to, representatives of hospitals, healthcare providers, health plans, and self-insured entities, to examine the costs of healthcare services in the city; and

5. Collect and make available, upon request, each hospital's United States internal revenue service form 990, Schedule H as required pursuant to section 501(r) of the internal revenue service code, audited financial statements as required pursuant to section 6033(b)(15)(b) of the internal revenue service code, and annual cost reports as required by centers for medicare and medicaid services.

d. Reporting. No later than 1 year after the effective date of the local law that added this section and by January 1 annually thereafter, the director shall submit to the mayor, the speaker of the council, and the attorney general of the state of New York, and shall post conspicuously on the office's website, a report detailing the

pricing practices of hospital systems in the city. Such report shall include, but not be limited to, the following:

1. A summary of any analyses conducted pursuant to paragraph 2 of subdivision c of this section, including the price of common hospital procedures paid for by the city disaggregated by hospital, utilizing a baseline price, such as Medicare;

2. To the extent publicly available, a summary of prices charged for common hospital procedures disaggregated by:

(a) Hospital;

(b) Type of procedure;

(c) To the extent publicly available, the average rate of reimbursement received by the hospital from each major insurance provider or other classification of payer for each common procedure, including reimbursements from Medicaid and Medicare and an analysis of whether such reimbursements meet the cost of caring for patients on such programs, and where practicable, negotiated price by payer and health plan, the cash price, and the Medicare price; and

(d) To the extent publicly available and where practicable, the average rate of denial by major insurance providers or payers of medically necessary care;

3. To the extent publicly available, a summary of each hospital's and each major insurance provider's or other payer's pricing transparency requirements pursuant to state and federal law;

4. To the extent publicly available, a breakdown of each major insurance provider's and other payer's profit margins, employee headcounts, overhead costs, and executive salaries and bonuses;

5. To the extent publicly available, a summary of each hospital's community benefit information as publicly reported on the United States internal revenue service's Form 990, Schedule H, as required pursuant to section 501(r) of the internal revenue code, and each hospital's publicly available implementation report regarding the hospital's performance in meeting the healthcare needs of the community, providing charity care services, including the number of public benefit beneficiaries and uninsured individuals treated by each

hospital, and improving access to healthcare services by the underserved, as required pursuant to subdivision 3 of section 2803-l of the public health law; and

6. To the extent publicly available, a summary of the impact of pharmaceutical pricing, insurance premiums, and the cost of medical devices on the city's healthcare costs and individuals' out-of-pocket spending.

§ 2. This local law takes effect 240 days after it becomes law.

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