

State Laws to Promote Fair Billing Practices

Overview

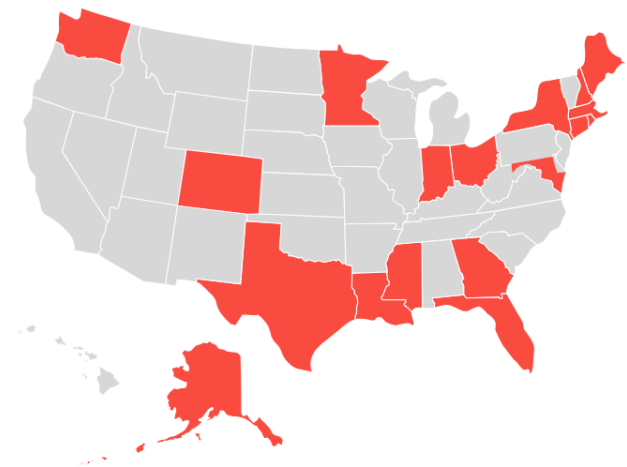
Facility fees are expenses charged by hospitals and health systems in addition to the cost of services and the professional fees paid to providers. These unfairly billed fees result in the same service costing a higher amount simply because it was provided in a hospital-owned outpatient facility or clinic, rather than an independent clinic. Facility fees often come as a surprise to patients, leaving them unable to make informed decisions about the true cost of their care and unfairly ending up with higher-than-expected bills.

Charging these unfair fees not only **drives up health care costs for individuals and families**, but also inflates health care costs as a whole through higher health insurance premiums and out-of-pocket costs for consumers.¹ This unfortunate trend toward health care consolidation and higher costs has garnered attention across the political spectrum as people increasingly face unaffordable health care options.

State Laws to Promote Fair Billing Practices

As of September 2024, **18 states have successfully passed legislation that seeks to address facility fees charged by health systems for services.**² These laws indicate growing momentum by state legislatures to protect people from unnecessary, costly, and unfair facility fees. Find more information on this issue at hiddencostofcare.com.

States with Facility Fee Reform Laws



State	Components
Alaska ³ (SB 105)	<ul style="list-style-type: none"> Requires facility fees to be included in good faith estimates provided to patients. Requires each hospital and health system to submit annual reports to the state on facility fees collected.
Colorado ⁴ (HB23-1215)	<ul style="list-style-type: none"> Prohibits a hospital or health system from charging a facility fee for outpatient preventive services. Requires that facilities post signs in their common areas and notify patients at the time the appointment is made that they may charge facility fees. Requires standardized billing of facility fees. Authorizes a report on facility fees to be completed by October 2024. Labels violations a deceptive trade practice subject to investigation by the Colorado Attorney General's Office.

<p>Connecticut⁵ (SB 2 / HB 6669)</p>	<ul style="list-style-type: none"> ● Prohibits a hospital or health system from charging a facility fee on telehealth services or specific evaluation and management (E/M) services provided on a hospital campus outside of an emergency department. ● Places limits on patient cost-sharing for outpatient facility fees. ● Requires hospital-based facilities to post signs in their common areas and notify patients at the time the appointment is made that they may charge facility fees. ● Requires standardized billing of facility fees. ● Requires each hospital and health system to submit annual reports to the state on facility fees collected. ● Allows the state health agency to enforce statute provisions.
<p>Florida⁶ (HB 1157 / HB 1175)</p>	<ul style="list-style-type: none"> ● Requires hospital-owned outpatient emergency departments to post signs in their common areas that they charge facility fees. ● Requires facility fees to be included in good faith estimates provided to patients. ● Allows the state health agency to enforce statute provisions.
<p>Georgia⁷ (SB 20)</p>	<ul style="list-style-type: none"> ● Prohibits insurers from being required to reimburse for facility fees on telehealth services unless the hospital is the originating site. ● Allows the state Insurance Commissioner to enforce statute provisions.
<p>Indiana⁸ (HB 1004 - 2022 / SB 325 / HB 1004-2020)</p>	<ul style="list-style-type: none"> ● Bans facility fees by prohibiting an insurer or other person responsible for the payment of the cost services from accepting a bill submitted on an “institutional provider form”, which is what hospitals use to bill for facility fees. ● Limits restrictions to non-profit health systems exceeding a specific annual revenue threshold. ● Requires facility fees to be included in good faith estimates provided to patients. ● Requires ambulatory outpatient surgical centers to publish the standard charge for facility fees. ● Requires each hospital to submit annual reports to the state on facility fees collected. ● Allows relevant state agencies to enforce statute provisions.
<p>Louisiana⁹ (HB 824)</p>	<ul style="list-style-type: none"> ● Requires off-campus hospital outpatient departments to post signs in their common areas that a patient may be charged a facility fee.
<p>Maine¹⁰ (LD 2271 / LD 1795 / LD 416)</p>	<ul style="list-style-type: none"> ● Bans facility fees by prohibiting an insurer from accepting a bill for a service provided in an office setting submitted on a “noninstitutional provider form”, which is what hospitals use to bill for facility fees.¹¹ ● Requires hospital owned outpatient emergency departments to post online and as signs in their common areas that they may be charged a facility fee. ● Requires the state all-payer claims database to annually produce and publish a report on facility fee payments based on otherwise available data.

	<ul style="list-style-type: none"> Created a task force to study the impact of facility fees and release a report by December 2023.
Maryland ¹² (SB 3 / SB 632 / HB 915)	<ul style="list-style-type: none"> Requires providers to notify patients at the time the appointment is made that they charge facility fee and expected amounts. Requires each hospital to file a report annually to the Health Services Cost Review Commission on outpatient facility fees. Prohibits hospitals from charging facility fees for telehealth services if they can bill a separate professional fee for that service. Prohibits hospitals from charging facility fees for administering COVID-19 vaccines and monoclonal antibody treatments.
Massachusetts ¹³ (S 2984 / S 2400)	<ul style="list-style-type: none"> Requires providers to notify patients at the time the appointment is made that they charge facility fee and expected amounts. Requires insurers explain any facility fee a consumer may be responsible to pay in their evidence of coverage and allow opportunity for enrollees to request facility fee estimates. Allows relevant state agencies to enforce statute provisions.
Minnesota ¹⁴ (SF 131)	<ul style="list-style-type: none"> Requires hospital off-campus facilities to notify patients prior to the delivery of non-emergency services that they may charge facility fees.
Mississippi ¹⁵ (SB 2209 / SB 2646)	<ul style="list-style-type: none"> Prohibits providers from charging facility fees on traditional and asynchronous telehealth services unless the provider is the originating site. Traditional facility fee prohibitions are repealed effective July 1, 2025. Allows the state Insurance Commissioner to enforce statute provisions.
New Hampshire ¹⁶ (SB 188)	<ul style="list-style-type: none"> Authorized a commission to study and produce a report on the billing practices of health care providers and the impact of those practices on the cost and delivery of health care services, including but not limited to the billing methods and procedures used by hospitals and hospital-owned facilities and practices, by November 1, 2009.
New York ¹⁷ (S 2521C / A 3470C)	<ul style="list-style-type: none"> Prohibits the collection of a facility fee from a patient for preventive services, or any service not covered by the patient's insurance, unless the patient received prior notification that a facility fee would be charged. Requires providers to notify patients in advance that they charge facility fees and post notices in their common areas.
Ohio ¹⁸ (HB 122)	<ul style="list-style-type: none"> Prohibits a health care professional from charging a patient or a health plan issuer a facility fee when providing telehealth services.
Rhode Island ¹⁹ (S 146)	<ul style="list-style-type: none"> Requires hospitals to provide a written estimate of expected charges, including any facility fees, to uninsured patients or patients with an insurance deductible of five thousand dollars or higher upon request.
Texas ²⁰ (SB 2038)	<ul style="list-style-type: none"> Prohibits freestanding emergency departments (FSEDs) from charging facility fees on drive-thru services, and requires FSEDs to notify patients that they may be charged a facility fee, including the amount.

	<ul style="list-style-type: none"> • Authorizes the Health and Human Services Commission to enforce provisions through administrative penalties
Washington ²¹ (HB 1272 / SB 5700)	<ul style="list-style-type: none"> • Requires hospital provider-based clinics to give patients notice prior to the delivery of non-emergency services that they may charge facility fees. • Prohibits a telehealth distant site or a hospital that is an originating site for audio-only telemedicine from charging a facility fee.

Endnotes

¹ NASHP. Policy tools to lower hospital and health system costs. (2023, February 22). [Link](#).

² [Nebraska](#) and [Nevada](#) have passed laws to require hospital off-campus locations to use a unique national provider identification (NPI) number.

³ Alaska Stat. § 18.23.400

⁴ Colo. Rev. Stat. § 6-20-102; Colo. Rev. Stat. § 25.5-4-216

⁵ Conn. Gen. Stat. § 19a-906; Conn. Gen. Stat. § 19a-508c; Conn. Gen. Stat. § 20-7f.

⁶ Fla. Stat. § 395.1041; Fla. Stat. § 395.301

⁷ Ga. Code Ann. § 33-20E-24

⁸ Ind. Code Ann. § 16-51-1-11; Ind. Code Ann. §§ 16-21-6-3; Ind. Code Ann. §§ 25-1-9.8-11; 16-21-17-2; Ind. Code Ann. §§ 16-21-17-1; 16-21-17-2

⁹ La. Stat. tit. § 22:1880.1.

¹⁰ 24-A Maine Rev. Stat. §§ 1912, 2753, 2823-B, 4235; Maine Rev. Stat. § 8712.; 22 Maine Rev. Stat. §1718-B.

¹¹ This facility fee prohibition's impact is limited due to enforcement challenges.

¹² Md. Ins. Code § 19-349.2; Md. Ins. Code § 15-139; Maryland Health Services Cost Review Commission, [Reporting and Charging for the Administration of COVID-19 Vaccines](#) (2021).

¹³ Mass. Ann. Laws ch. 111, §§ 228; Mass. Ann. Laws ch. 176O, §§ 6, 23

¹⁴ Minn. Stat. Ann. § 62J.824 (2022)

¹⁵ Miss. Code Ann. § 83-9-351, 353

¹⁶ 2009 N.H. S.B. 188.

¹⁷ N.Y. Public. Health Law § 2830-2

¹⁸ Ohio Rev. Code § 4743.09

¹⁹ R.I. Gen. Laws § 23-17-61

²⁰ Tex. Health and Safety Code §§ 241.222; 254.1555

²¹ Wash. Rev. Code § 70.01.040; Rev. Code Wash. § 48.43.735