

State Laws to Promote Fair Billing Practices

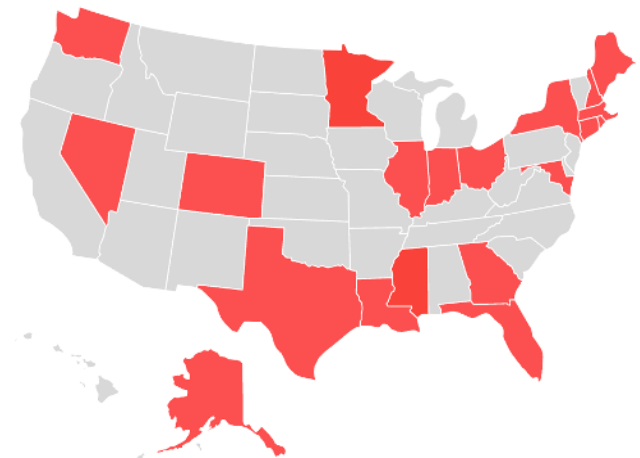
Facility fees are fees billed by hospitals and health systems on top of the charges that cover the cost of providers' services. Hospitals often charge these fees when delivering services in their own facilities and are increasingly using this revenue to cover hospital operating costs. These unfairly 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. They 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 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 and provides an incentive for hospitals to purchase independent clinics.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 July 2025, **19 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 at hiddencostofcare.com.

States with Facility Fee Reform Laws



State	Law(s)
Alaska	<p>SB 105³ (2018)</p> <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	<p>HB23-1215⁴ (2023)</p> <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.

	<ul style="list-style-type: none"> • 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.
Connecticut	<p>HB 5337⁵ (2014)</p> <ul style="list-style-type: none"> • Requires a hospital or health system to provide patients written notice of facility fees and clearly identify them on patients' bills. <p>SB 811⁶ (2015)</p> <ul style="list-style-type: none"> • Places limits on patient cost-sharing for outpatient facility fees. • Prohibits providers from reporting to a credit reporting agency that an enrollee failed to pay a facility fee. • Allows the state health agency to enforce statute provisions. <p>SB 2⁷ (2022)</p> <ul style="list-style-type: none"> • Prohibits a hospital or health system from charging a facility fee on telehealth services. <p>HB 6669⁸ (2023)</p> <ul style="list-style-type: none"> • Prohibits a hospital or health system from charging a facility fee for specific evaluation and management (E/M) services provided on a hospital campus outside of an emergency department. • Requires standardized billing of facility fees. • Requires each hospital and health system to submit annual reports to the state on facility fees collected. • 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. <p>SB 10⁹ (2025)</p> <ul style="list-style-type: none"> • Reinstates a provision making it an unfair trade practice to violate facility fee prohibitions.
Florida	<p>HB 1157¹⁰ (2021)</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. <p>HB 1175¹¹ (2016)</p> <ul style="list-style-type: none"> • Requires facility fees to be included in good faith estimates provided to patients. • Allows the state health agency to enforce statute provisions.
Georgia	<p>SB 20¹² (2023)</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.

Illinois [Not yet signed]	<p>HB 1431¹³ (2025)</p> <ul style="list-style-type: none"> Requires hospitals to disclose facility fees for outpatient services “as soon as reasonably practical.” Allows the state health agency to enforce statute provisions. Governor has until 9/24 to sign/veto before it becomes law without his signature.
Indiana	<p>HB 1004¹⁴ (2020)</p> <ul style="list-style-type: none"> Requires facility fees to be included in good faith estimates provided to patients. <p>SB 325¹⁵ (2021)</p> <ul style="list-style-type: none"> Requires ambulatory outpatient surgical centers to publish the standard charge for facility fees. <p>HB 1004¹⁶ (2023)</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 each hospital to submit annual reports to the state on facility fees collected. Allows relevant state agencies to enforce statute provisions. <p>HB 1003¹⁷ (2025)</p> <ul style="list-style-type: none"> Prohibits providers from charging facility fees for physician office visits.
Louisiana	<p>HB 824¹⁸ (2018)</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.
Maine	<p>LD 416¹⁹ (2005)¹⁸</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.²⁰ <p>LD 1795²¹ (2023)</p> <ul style="list-style-type: none"> Prohibits hospitals from charging facility fees for services delivered in off-campus settings. Requires hospitals to submit annual reports on facility fees. Created a task force to study the impact of facility fees and release a report by December 2023. <p>LD 2271²² (2024)</p> <ul style="list-style-type: none"> Prohibits hospitals from charging facility fees for telehealth services accessed outside of a hospital. Requires hospital owned outpatient emergency departments to post online and as signs in their common areas that they may be charged a facility fee.

	<ul style="list-style-type: none"> Requires the state all-payer claims database to annually produce and publish a report on facility fee payments based on otherwise available data.
Maryland	<p>SB 632/HB 915²³ (2020)</p> <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. <p>SB 3²⁴ (2021)</p> <ul style="list-style-type: none"> Prohibits hospitals from charging facility fees for telehealth services if they can bill a separate professional fee for that service. Prohibited hospitals from charging facility fees for administering COVID-19 vaccines and monoclonal antibody treatments for the duration of the public health emergency (PHE).
Massachusetts	<p>S 2400²⁵ (2012)</p> <ul style="list-style-type: none"> Requires insurers to disclose the expected facility fee charge or estimate upon request. Allows relevant state agencies to enforce statute provisions. <p>S 2984²⁶ (2020)</p> <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	<p>SF 131²⁷ (2019)</p> <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	<p>SB 2209²⁸ (2013)</p> <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. Allows the state Insurance Commissioner to enforce statute provisions. <p>HB 2415²⁹ (2025)</p> <ul style="list-style-type: none"> Extends prohibition on providers from charging facility fees on traditional and asynchronous telehealth services unless the provider is the originating site through July 1, 2028.
Nevada	<p>AB 343³⁰ (2025)</p> <ul style="list-style-type: none"> Requires hospitals to submit annual reports that include listing facilities that charge facility fees, total revenues received from

	facility fees, and the total number of facility fees charged.
New Hampshire	<p>SB 188³¹ (2009)</p> <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.
New York	<p>S 2521C/A 3470C³² (2022)</p> <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	<p>HB 122³³ (2021)</p> <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	<p>S 146³⁴ (2017)</p> <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	<p>SB 2038³⁵ (2021)</p> <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. Authorizes the Health and Human Services Commission to enforce provisions through administrative penalties
Washington	<p>HB 1272³⁶ (2021)</p> <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. <p>SB 5700³⁷ (2023)</p> <ul style="list-style-type: none"> 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-508c

⁶ Conn. Gen. Stat. § 20-7f

⁷ Conn. Gen. Stat. § 19a-508c

⁸ Conn. Gen. Stat. § 20-7f, Conn. Gen. Stat. §19-508c

⁹ Conn. Gen. Stat. § 19a-508c

¹⁰ Fla. Stat. § 395.1041

¹¹ Fla. Stat. § 395.301

¹² Ga. Code Ann. § 33-20E-24

¹³ 855 Ill. Comp. § 505/2 HHHH

¹⁴ Ind. Code Ann. § 25-1-9-23, 27-1-46

¹⁵ Ind. Code Ann. § 16-21-17-1

¹⁶ Ind. Code Ann. § 16-18-2, 16-51-1, 27-2-25.5

¹⁷ Ind. Code Ann. § 16-51-1-11

¹⁸ La. Stat. tit. § 22:1880.1

¹⁹ 24-A Maine Rev. Stat. 4235

²⁰ This facility fee prohibition's impact is limited due to enforcement challenges.

²¹ Maine Rev. Stat. § 8712

²² 22 Maine Rev. Stat. §1718-B

²³ Md. Ins. Code § 19-349.2

²⁴ Md. Ins. Code § 15-139

²⁵ Mass. Ann. Laws ch. 176O, §§ 6, 23

²⁶ Mass. Ann. Laws ch. 111, §§ 228

²⁷ Minn. Stat. Ann. § 62J.824 (2022)

²⁸ Miss. Code Ann. § 83-9-351, 353

²⁹ Miss. Code Ann. § 83-9-351(6)

³⁰ Nevada Rev. Statutes § 439B.320

³¹ 2009 N.H. S.B. 188

³² N.Y. Public. Health Law § 2830-2

³³ Ohio Rev. Code § 4743.09

³⁴ R.I. Gen. Laws § 23-17-61

³⁵ Tex. Health and Safety Code §§ 241.222; 254.1555

³⁶ Wash. Rev. Code § 70.01.040

³⁷ Wash. Rev. Wash. § 48.43.735