



Overview

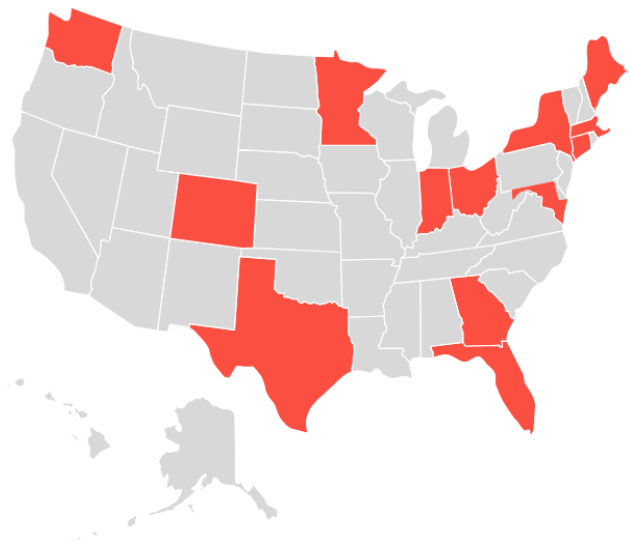
Facility fees are expenses charged by hospitals and health systems in addition to the cost of services and the professional fees paid to providers. These unfairly billed fees result in the same service costing a higher amount simply because it was provided in a hospital-owned outpatient facility or clinic, rather than an independent physician’s 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 end 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 consumers¹. 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 August 2023, **13 states have successfully passed legislation that seeks to address facility fees charged by health systems for services**. These laws indicate growing momentum by state legislatures to protect people from unnecessary, costly, and unfair facility fees.

States with Facility Fee Reform Laws



State	Components
Connecticut ² (SB 2 / HB 6669)	<ul style="list-style-type: none"> Prohibits a hospital or health system from charging a facility fee on telehealth services or specific health care evaluation and management (E/M) services provided on a hospital campus outside of an emergency department. Requires providers/health systems to give patients notice at the time the appointment is made if/when they do charge facility fees and post signs in their common areas outlining that in plain language. Requires a health care provider to provide a standardized bill to patients that lists any facility fee and include contact information for filing an appeal. Requires each hospital and health system to submit annual to the State reports on facility fees collected.

<p>Colorado³ (HB23-1215)</p>	<ul style="list-style-type: none"> • Prohibits the collection of a facility fee from a patient for preventive services. • Requires providers/health systems to give patients notice at the time the appointment is made that they charge facility fees and post signs in their common areas outlining that. • Requires a health care provider to issue a standardized bill to patients that lists any facility fee and include contact information for filing an appeal. • Authorizes a report on facility fees to be completed by October 2024.
<p>Florida⁴ (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.
<p>Georgia⁵ (SB 20)</p>	<ul style="list-style-type: none"> • Prohibits insurers from being required to pay a facility fee to a hospital for telehealth services unless the hospital is the originating site.
<p>Indiana⁶ (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 the restrictions in this bill to non-profit health systems with more than \$2 billion in patient service revenue in 2021. • Requires providers to supply, upon request, a good faith estimate of the amount the provider intends to charge for services, including any charge for use of the provider facility, at least five days before a scheduled appointment. • Requires ambulatory outpatient surgical centers to post on their website the standard charge per item or service, including facility fees. • Requires each hospital to file an annual report to the state including information on facility fees collected.
<p>Maine⁷ (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.⁸ • Creates a task force to study the impact of facility fees and make recommendations for changes in laws or rules by December 6, 2023.
<p>Maryland⁹ (SB 534 / SB 632 / HB 915)</p>	<ul style="list-style-type: none"> • Requires providers/health systems to give patients notice at the time the appointment is made that they charge facility fees, including expected amounts and how a patient can file a complaint about a facility fee. • Requires each hospital to file an annual report to the Health Services Cost Review Commission including information on outpatient facility fees collected. • Prohibits providers from charging facility fees for telehealth services unless they are not authorized to bill a professional fee separately for the service. • Prohibits hospitals from charging facility fees for administering COVID-19 vaccines and monoclonal antibody infusions and injections.

Massachusetts ¹⁰ (S 2984 / S 2400)	<ul style="list-style-type: none"> Requires providers/health systems to give patients notice at the time the appointment is made that they charge facility fees, including expected amounts. Requires insurers explain any facility fee a consumer may be responsible to pay in its evidence of coverage and allow opportunity for enrollees to request and obtain facility fee estimates.
Minnesota ¹¹ (SF 131)	<ul style="list-style-type: none"> Requires providers/health systems to give patients notice prior to the delivery of non-emergency services that they may charge facility fees.
New York ¹² (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/health systems to give patients notice in advance that they charge facility fees and post signs in their common areas outlining that.
Ohio ¹³ (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.
Texas ¹⁴ (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.
Washington ¹⁵ (HB 1271 / SB 5700)	<ul style="list-style-type: none"> Requires providers/health systems 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 Conn. Gen. Stat. § 19a-906; Conn. Gen. Stat. § 19a-508c; Conn. H.B. 6669 (2023).

³ Colo. Rev. Stat. § 6-20-102; Colo. Rev. Stat. § 25.5-4-216

⁴ Fla. Stat. § 395.1041; Fla. Stat. § 395.301

⁵ Ga. Code Ann. § 33-20E-24

⁶ 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

⁷ 24-A Maine Rev. Stat. §§ 1912, 2753, 2823-B; Maine L.D. 1795 (2023);

⁸ This facility fee prohibition's impact is limited due to enforcement challenges.

⁹ 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). [Link](#).

¹⁰ Mass. Ann. Laws ch. 111, §§ 228; Mass. Ann. Laws ch. 1760, §§ 6, 23

¹¹ Minn. Stat. Ann. § 62J.824 (2022)

¹² N.Y. Public. Health Law § 2830-2

¹³ Ohio Rev. Code § 4743.09

¹⁴ Tex. Health and Safety Code §§ 241.222; 254.1555

¹⁵ Wash. Rev. Code § 70.01.040; Rev. Code Wash. § 48.43.735