

## A Comparison: Connecticut and Indiana’s 2023 Facility Fee Legislation

As legislative sessions unfolded around the country, there was a surge of lawmaker attention toward fair billing practices, specifically around protecting people from facility fees. Facility fees are additional charges hospitals and health systems add on to 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 different setting.

The comparison chart below explores two bills passed in the 2023 session by legislators in Connecticut and Indiana to limit the impact of facility fees on people. Connecticut and Indiana were selected as illustrative examples due to their distinct approaches and how far their legislation went toward addressing facility fees. Notably, both states efforts built upon past actions in their states to address facility fees.

	Connecticut ( <a href="#">HB 6669</a> )	Indiana ( <a href="#">HB 1004</a> )
<b>Implementation Date</b>	July 1, 2024	January 1, 2025
<b>Facilities and Services Impacted</b>	<p>Outpatient health care services provided by hospitals or health systems either on- or off-campus. This legislation extended pre-existing prohibitions of facility fees to “on-campus” services, as opposed to only “off-campus” services.</p> <p>★ <b>Exceptions:</b> Emergency departments and certain types of observation stays.</p>	<p>HB 1004 applies to health care services provided in an office setting off-campus by providers owned by Indiana nonprofit hospital systems that have an annual patient service revenue of at least \$2 billion. For the purposes of this legislation, an off-campus office visit is more than 250 yards from the main building of a hospital and where a provider routinely provides health examinations, diagnosis, or non-invasive treatment of illness or injury on an ambulatory basis.</p> <p>★ <b>Exceptions:</b> There are no restrictions on facility fees for for-profit health systems or for services performed in office visits <i>on-campus</i> within an Indiana nonprofit hospital system.</p>

<p><b>Mechanism for Limiting Facility Fees</b></p>	<p>Prohibits hospitals and health systems from charging facility fees for evaluation and management (E/M) or assessment and management (A/M) services provided in an outpatient setting.</p> <p>★ <b>Enforcement:</b> Subject to a civil penalty of up to \$1,000.</p>	<p>Eliminates the ability for providers to charge facility fees for services conducted off-campus in an office setting by requiring them to submit bills through an “individual provider form” rather than an “institutional provider form.”</p> <ul style="list-style-type: none"> <li>• An “institutional provider form” is a medical claim form used for the purposes of reimbursing <a href="#">certain providers, such as hospitals, for services</a>. These forms do not include a place to disclose the site at which health care services were performed (whether on- or off- campus).</li> <li>• An “individual provider form” is another claims form used by providers and it differs from an institutional provider form because it includes a field for disclosing the site at which services were performed.</li> </ul> <p>Entities responsible for paying for health care services --including people who are uninsured--cannot accept charges for facility fees from providers disclosing (on the individual provider form) that services were provided in an off-campus office setting.</p>
<p><b>Facility Fee Definition</b></p>	<p>Any fee charged or billed by a hospital or health system for outpatient services provided in a hospital-based facility that is:</p> <ul style="list-style-type: none"> <li>★ Intended to compensate the hospital or health system for the operational expenses of the hospital or health system</li> <li>★ Separate and distinct from a professional fee</li> </ul>	<p><i>Not defined in the statute.</i></p>
<p><b>Patient Notification</b></p>	<p>★ Requires providers/health systems to give patients notice at the time the appointment is</p>	<p><i>The statute does not include any requirements for increased transparency for consumers outside of</i></p>

	<p>made if/when they do charge facility fees and post signs in their common areas outlining that in plain language.</p> <ul style="list-style-type: none"> <li>★ Requires a health care provider to provide a standardized bill to patients that: <ul style="list-style-type: none"> <li>○ Clearly identifies a facility fee</li> <li>○ Compares the facility fee charged to what Medicare would have paid the hospital for the facility fee</li> <li>○ Includes contact information for filing an appeal</li> <li>○ Notifies them of their right to request a reduction in the facility fee.</li> </ul> </li> </ul>	<p><i>annual hospital reporting to the state which will be made public.</i></p>
<p><b>Facility Fee Information Required to be Included in Reporting</b></p>	<p>Each hospital and health system shall annually file a report to the executive director of the Office of Health Strategy containing the following:</p> <ul style="list-style-type: none"> <li>★ Whether each facility is located on- or off- the hospital or health system campus</li> <li>★ Number of patient visits for which a facility fee was charged</li> <li>★ Total amount and range of allowable facility fees paid</li> <li>★ Total amount of facility fees charged and the total amount of revenue received from facility fees</li> <li>★ The ten procedures or services that generated the greatest amount of facility fee gross revenue</li> <li>★ The top ten procedures or services for which facility fees are charged based on patient volume</li> </ul>	<p>Each hospital is required to file an annual report to the state that includes net patient revenue and total number of paid claims for:</p> <ul style="list-style-type: none"> <li>★ Inpatient services from facility fees broken down by payer type;</li> <li>★ Outpatient services from facility fees broken down by payer type.</li> <li>★ Total net patient revenue and total number of paid claims from facility fees broken down by payer type.</li> </ul>
<p><b>Enforcement of Reporting</b></p>	<p>A health care facility, institution, or person that has violated the reporting requirements listed above is</p>	<p>A hospital that fails to file the report by the date required shall pay a fine of \$1,000 per day for which</p>

<p><b>Requirements</b></p>	<p>subject to the issuance of a notice. The entity that received the notice has ten business days to request a hearing. By not requesting a hearing within ten business days, an entity is subject to a cease and desist order. If, during a hearing, the entity was found to be violating these requirements, it is also subject to a cease and desist order.</p>	<p>the report is past due to the Indiana Department of Health.</p>
<p><b>Prior Legislative Action To Address Facility Fees</b></p>	<p><b>2014 <a href="#">HB 5337</a>:</b> Requires that hospitals and health systems that bill for off-campus services provide patients written notice of facility fees charged and clearly identify facility fees on bills to patients.</p> <p><b>2015 <a href="#">SB 811</a>:</b> Prohibits providers from charging insured patients for facility fees for medical services outside of established coinsurance, copays, or deductibles and prohibits insurers from imposing any additional copayments on enrollees for paying facility fees. Prohibits providers from reporting to a credit reporting agency that an enrollee failed to pay a bill for facility fees.</p> <p><b>2022 <a href="#">SB 2</a>:</b> Prohibits telehealth providers and hospitals from charging facility fees for health care services rendered through telehealth. This applies to hospital telehealth services considered on- or off-campus. Effective May 10, 2021 - June 30, 2024.</p>	<p><b>2020 <a href="#">HB 1004</a>:</b> A provider must supply a patient, 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 5 days before a scheduled appointment.</p> <p><b>2021 <a href="#">SB 325</a>:</b> An ambulatory outpatient surgical center shall post on its website the charge per item or service, including facility fees.</p>