



UNITED STATES of CARE

## FEDERAL AND STATE ACTION TO ADDRESS FACILITY FEES

**Connecticut (HB 5337, 2014; SB 811, 2015; HB 6669, 2023):** Bans facility fees for certain outpatient services, including doctor visits and telehealth appointments, and requires hospitals to notify patients ahead of time about potential facility fee charges.

**Indiana (HB 1004, 2023):** Eliminates the ability for providers to charge a facility fee for services delivered off-campus by requiring them to submit bills on an “individual provider form” rather than an “institutional provider form.”

**Bipartisan Primary Care and Health Workforce Act (S. 2840, introduced 2023):** Would ban facility fees for certain services, including doctor visits and telehealth services.

# UNITED SOLUTIONS *for* CARE

## PROTECTING PEOPLE FROM UNFAIR FACILITY FEES

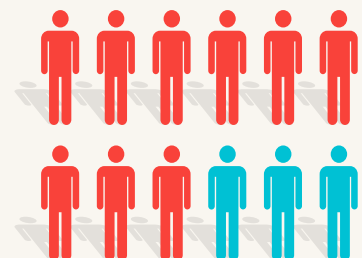
Informed by listening to thousands of people across the country, USofCare’s United Solutions for Care agenda represents a set of four goals and twelve targeted and achievable solutions to help us build a fairer health care system. The policy principles outlined here respond to one of those twelve solutions: reducing or eliminating out-of-pocket costs, and one way to do this is by protecting people from unfair facility fees.

People across the country are feeling the pinch of higher health care costs in the form of rising out-of-pocket costs, including “facility fees” charged by hospitals. While hospitals have long charged these fees in emergency settings, people are now being charged the same fees in hospital outpatient departments or even without ever stepping foot in a hospital facility. Insurance companies may or may not cover these costs, leaving patients responsible for these hidden, unexpected fees, levied on top of the typical “professional fee” charged by providers. As hospitals acquire more independent physician offices, loopholes in billing practices allow hospitals to tack on facility fees in even more settings, making the same service cost two to three times more compared to an independent provider’s office.

## Expensive Facility Fees Limit People’s Access to Care

About half of adults report not being able to pay for a \$500 unexpected medical expense, an amount not uncommonly charged by hospitals in the form of facility fees, which have increased four times faster than professional fees. Nearly three-quarters of people believe it’s unfair to have patients charged facility fees, which may even exceed the patient’s underlying cost of care or force families to delay or skip medical care entirely. These fees disproportionately impact access to affordable health care for many underserved communities. Regardless of political affiliation or demographic background, people overwhelmingly demand action to address facility fees in order to improve health care affordability and access for everyone.

*Nearly three-quarters of people believe it’s unfair to have patients charged facility fees*



Nobody should be charged unjust fees when seeking care. While the policies listed below can be pursued individually, comprehensive legislation should include the following areas of focus:

## Protecting People from Unfair Bills

Patients should not be subject to facility fees for common, everyday care. If policymakers are unable to establish comprehensive protections from facility fees, however, they should adopt targeted prohibitions including:

- **Service-based** restrictions prohibiting facility fees depending on the type of patient care that is delivered, like preventive services, primary care, or telehealth; or
- **Site-based** restrictions prohibiting facility fees based on where a service is delivered, such as off-campus outpatient departments; or
- **Billing-based** restrictions establishing restrictions on how hospitals bill, such as prohibiting the use of “institutional provider forms” at specific locations.

In addition, policymakers should consider policies that limit facility fees that do not require legislation, such as prohibiting facility fees as a condition of approving a merger or acquisition.

## Promoting Patient Notification and Transparency

In cases where facility fees are not banned, hospitals often fail to notify patients ahead of time about facility fees. To ensure patients understand these costs, policymakers should:

- Require disclosure of a facility fee’s estimated cost when an appointment is made.
- Increase transparency through mandatory notices inside the facility (for example, in waiting rooms or at check-in desks).

## Ensuring Proper Enforcement

To protect patients from facility fees, legislation should ensure compliance and allow patients recourse if charged a prohibited facility fee. To hold hospitals accountable, policymakers should:

- Label any effort by a hospital to circumvent facility fee protections as an unfair or deceptive trade practice subject to civil penalties.
- Establish a course of action through the state attorney general’s office for people to contest charges they may have been unfairly billed.

## Collecting Data to Guide Future Action

Policymakers should pass legislation requiring agencies to work with stakeholders to evaluate the impact of facility fees on patients and release easy-to-understand data that:

- Is standardized and aggregated to protect patient privacy and safety while also complying with existing [federal hospital data collection requirements](#).
- Includes a wide collection of hospital-submitted data points, which may include, but are not limited to, a list of entities that charge facility fees and the amount of cost-sharing people experience, to guide future legislative or regulatory initiatives.