



March 25, 2025

RE: 3/26/25 Public Hearing and United States of Care's Support for SF 1503

Dear Chair Latz and Members of the Committee,

Thank you for the opportunity to provide testimony in support of [SF 1503](#), commonsense legislation that would establish reasonable limits on facility fees charged to patients by hospitals and health systems. United States of Care (USofCare) is a non-partisan, non-profit organization working to ensure [everyone](#) has access to quality, affordable health care, regardless of health status, social need, or income.

Unfortunately, despite past meaningful action taken by the Legislature, health care remains unaffordable for many in Minnesota. [Over half](#) of Minnesotans report delaying medical care due to the cost of health care and [83%](#) are worried about their ability to afford health care in the future. One of the main drivers of increasing health care costs can be traced to [health care consolidation](#) in Minnesota and nationwide, which has led to less competition and higher prices for patients, usually with no corresponding increase in quality of care.

As health systems consolidate and purchase outpatient clinics, such as primary care clinics and imaging centers, they are increasingly able to bill patients for so-called "facility fees." These hidden fees, charged in addition to fees covering the provider's services, are often not covered by insurance and can lead to high out-of-pocket costs. Even worse, facility fees are not associated with any changes in the type or quality of care provided to a patient, making the physical location where you receive services the defining factor.

Reimbursement mechanisms for outpatient care are already structured to provide hospitals compensation for routine overhead costs. Facility fee charges are simply just another unexpected financial burden put on patients to subsidize hospitals that own the most outpatient facilities. Notably, the burden of facility fees is not shared equally among Minnesotans. Rural communities, communities of color, people with chronic and complex health conditions, and people with less generous insurance coverage, such as high deductible health plans, are [most heavily](#) impacted by costly facility fee charges. Facility fees are an inefficient way for hospitals to make money, while effectively deepening health disparities in Minnesota.

State momentum to protect people from facility fees has increased over the past several years. To date, [eleven states](#) have passed laws limiting all or some facility fees, with even more states introducing legislation similar to SF 1503 this session. Notably, we have seen laws limiting facility fees garner broad bipartisan support in states like [Connecticut](#), [Colorado](#), [Indiana](#) and [Ohio](#). With Minnesota leading in so many other ways on health care, this bill is a logical next step to directly lower the rising out-of-pocket costs that patients are forced to shoulder.

United States of Care is supportive of SF 1503 and strongly encourages a “yes” vote in support of this bill that takes steps to ensure that Minnesotans have access to the medical care they need without adding additional worries about costs. We thank the committee for its work on this issue and urge the committee to consider United States of Care a resource moving forward. Please do not hesitate to reach out if you have any questions.

Sincerely,

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