
Health Care & Wellness Committee

HB 2582

Brief Description: Requiring notice to patients for certain charges at a health care facility.

Sponsors: Representatives Johnson, Cody, Ross, Jinkins, Green, Walsh, Hinkle, Clibborn, Lias, Kenney, Klippert, Smith, Alexander, Warnick, Fagan, Bailey, Ahern, Asay, Dahlquist, Kretz, DeBolt, Angel, Kelley, Hunt, Dickerson, Ladenburg, Orcutt, Zeiger, Wilcox, Finn, Wylie, Probst, Darneille, Moscoso, Kagi and Tharinger.

Brief Summary of Bill

- Requires health care facilities that charge a facility fee to notify patients of the items included in the fee and an estimate of the cost to the patient.
- Requires health care facilities to report an explanation of the items in their facility fees to the Department of Health.

Hearing Date: 1/25/12

Staff: Chris Blake (786-7392).

Background:

Under the Medicare program, charges for hospital outpatient department visits may be comprised of two components: a professional fee and a facility fee. The facility fee may be charged if the location of the service is considered a provider-based department. Many factors affect the determination of provider-based status, including whether or not the hospital and the outpatient facility operate under the same license, the integration of clinical services of the hospital and the outpatient facility, the financial integration of the outpatient facility and the hospital, and the public's awareness of the relationship of the facility with the hospital.

To maintain provider-based status under the Medicare program, a hospital outpatient department must meet several obligations. One of these requirements is that, if the Medicare patient will be responsible for a coinsurance requirement for the facility fee, the hospital-based entity must provide the Medicare patient with:

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- notice of the amount of the potential cost to the patient, prior to the delivery of services; and
- an explanation to the patient that he or she will be responsible for coinsurance costs to the hospital because of the facility's provider-based status.

Summary of Bill:

"Health care facility" is defined as the site of a clinic or provider office that is either on the campus of a hospital or that is not on a hospital campus, but is owned by a hospital or health system that operates hospitals. "Facility fee" is defined as any charge by a health care facility, other than a fee for physician services, that is intended to cover building, electronic medical record, billing, and other administrative and operational expenses.

Health care facilities that charge a facility fee must comply with several requirements. The health care facility must notify patients of the items included in the facility fee and an estimate of the potential cost to the patient. Facilities must post a statement that the health care facility must provide patients with the notification of items in the fee and an estimate of the cost to the patient. Health care facilities must also submit an explanation of the items in the fee and the general costs of each items in their facility fees to the Department of Health.

Beginning November 15, 2013, the Department of Health must provide an annual report to the Governor and the Legislature regarding the reports that it has received from health care facilities and the trends in the use of facility fees.

Appropriation: None.

Fiscal Note: Requested on January 18, 2012.

Effective Date: The bill takes effect on January 1, 2013.