
Appropriations Committee

HB 1862

Brief Description: Concerning facility fees charged by certain health care providers.

Sponsors: Representatives Macri, Cody, Simmons, Valdez and Harris-Talley.

Brief Summary of Bill

- Prohibits charging a facility fee, except when services are provided to a patient on the hospital's campus.
- Defines "campus" to include the hospital's main buildings and the physical area immediately adjacent to the main buildings, including a provider-based clinic that is within 250 yards of the main buildings.
- Eliminates the exemption of clinics exclusively providing laboratory, testing, therapy, pharmacy, or educational services.
- Provides an exemption for critical access hospitals and sole community hospitals.

Hearing Date:

Staff: Meghan Morris (786-7119).

Background:

A "facility fee" is any separate charge or billing by a provider-based clinic that is in addition to the professional fee for physician's services and is intended to cover building, electronic medical records systems, billing, and other administrative and operational expenses.

A "provider-based clinic" is defined as the site of an off-campus clinic or provider office that is licensed as part of a hospital and is owned by a hospital or a health system that operates one or

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more hospitals. The clinic or provider must be primarily engaged in providing diagnostic and therapeutic care. This definition does not include clinics exclusively designed for and providing laboratory, X-ray, testing, therapy, pharmacy, or educational services and does not include facilities designated as rural health clinics.

Provider-based clinics that charge facility fees must provide a notice to patients receiving nonemergency services. The notice must inform the patient that the clinic is licensed as part of a hospital, and the patient may receive a separate billing for the facility component of a health care visit, which may result in a higher out-of-pocket expense.

Hospitals with provider-based clinics that bill a separate facility fee must report specific information to the Department of Health (DOH) each year. The reportable information relates to the number of provider-based clinics that bill a separate fee, the number of patient visits at each of those provider-based clinics, the revenue received by the hospital through the facility fees billed at each of those provider-based clinics, and the range of allowable facility fees paid by public or private payers at each of those provider-based clinics.

Summary of Bill:

A health care provider may not charge, bill, or collect a facility fee except for services provided to a patient when the patient is on a hospital's campus.

The term "campus" is defined to include the hospital's main buildings and the physical area immediately adjacent to the main buildings, including a provider-based clinic that is within 250 yards of the main buildings.

The exemption for clinics exclusively providing laboratory, testing, therapy, pharmacy, or education services is eliminated. The exemption for facilities designated as rural health clinics is maintained and expanded to include critical access hospitals and sole community hospitals.

"Health care provider" is defined as an individual, entity, corporation, person, or organization, whether for profit or nonprofit, that furnishes, bills, or is paid for health care service delivery in the normal course of business, and includes, but is not limited to, health systems, hospitals, and provider-based clinics.

The DOH may adopt rules to implement provisions regarding facility fees and may impose sanctions on a hospital for failure to comply with the requirements.

Appropriation: None.

Fiscal Note: Requested on January 10, 2022.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.