



House of Representatives

General Assembly

File No. 297

February Session, 2014

Substitute House Bill No. 5337

House of Representatives, April 2, 2014

The Committee on General Law reported through REP. BARAM of the 15th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING FEES CHARGED FOR SERVICES PROVIDED AT HOSPITAL-BASED FACILITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2014*) As used in this section
2 and section 2 of this act:

3 (1) "Affiliated provider" means a provider that is: (A) Employed by
4 a hospital or health system, (B) under a professional services
5 agreement with a hospital or health system that permits such hospital
6 or health system to bill on behalf of such provider, or (C) a clinical
7 faculty member of a medical school, as defined in section 33-182aa of
8 the general statutes, that is affiliated with a hospital or health system in
9 a manner that permits such hospital or health system to bill on behalf
10 of such clinical faculty member;

11 (2) "Campus" means: (A) The physical area immediately adjacent to
12 a hospital's main buildings and other areas and structures that are not
13 strictly contiguous to the main buildings but are located within two

14 hundred fifty yards of the main buildings, or (B) any other area that
15 has been determined on an individual case basis by the Centers for
16 Medicare and Medicaid Services to be part of a hospital's campus;

17 (3) "Facility fee" means any fee charged or billed by a hospital or
18 health system for outpatient hospital services provided in a hospital-
19 based facility that is: (A) Intended to compensate the hospital or health
20 system for the operational expenses of the hospital or health system,
21 and (B) separate and distinct from a professional fee;

22 (4) "Health system" means: (A) A parent corporation of one or more
23 hospitals and any entity affiliated with such parent corporation
24 through ownership, governance, membership or other means, or (B) a
25 hospital and any entity affiliated with such hospital through
26 ownership, governance, membership or other means;

27 (5) "Hospital" has the same meaning as provided in section 19a-490
28 of the general statutes;

29 (6) "Hospital-based facility" means a facility that is owned or
30 operated, in whole or in part, by a hospital or health system where
31 hospital or professional medical services are provided;

32 (7) "Professional fee" means any fee charged or billed by a provider
33 for professional medical services provided in a hospital-based facility;
34 and

35 (8) "Provider" means an individual, entity, corporation or health
36 care provider, whether for profit or nonprofit, whose primary purpose
37 is to provide professional medical services.

38 Sec. 2. (NEW) (*Effective October 1, 2014*) (a) If a hospital or health
39 system charges a facility fee utilizing a current procedural terminology
40 evaluation and management (CPT E/M) code for outpatient services
41 provided at a hospital-based facility where a professional fee is also
42 expected to be charged, the hospital or health system shall provide the
43 patient with a written notice that includes the following information:

44 (1) That the hospital-based facility is part of a hospital or health
45 system and that the hospital or health system charges a facility fee that
46 is in addition to and separate from the professional fee charged by the
47 provider;

48 (2) (A) The amount of the patient's potential financial liability,
49 including any facility fee likely to be charged, and, where professional
50 medical services are provided by an affiliated provider, any
51 professional fee likely to be charged, or, if the exact type and extent of
52 the professional medical services needed are not known or the terms of
53 a patient's health insurance coverage are not known with reasonable
54 certainty, an estimate of the patient's financial liability based on typical
55 or average charges for visits to the hospital-based facility, including
56 the facility fee, (B) a statement that the patient's actual financial
57 liability will depend on the professional medical services actually
58 provided to the patient, and (C) an explanation that the patient may
59 incur financial liability that is greater than the patient would incur if
60 the professional medical services were not provided by a hospital-
61 based facility; and

62 (3) That a patient covered by a health insurance policy should
63 contact the health insurer for additional information regarding the
64 hospital's or health system's charges and fees, including the patient's
65 potential financial liability, if any, for such charges and fees.

66 (b) If a hospital or health system charges a facility fee without
67 utilizing a current procedural terminology evaluation and
68 management (CPT E/M) code for outpatient services provided at a
69 hospital-based facility, located outside the hospital campus, the
70 hospital or health system shall provide the patient with a written
71 notice that includes the following information:

72 (1) That the hospital-based facility is part of a hospital or health
73 system and that the hospital or health system charges a facility fee that
74 may be in addition to and separate from the professional fee charged
75 by a provider;

76 (2) (A) A statement that the patient's actual financial liability will
77 depend on the professional medical services actually provided to the
78 patient, and (B) an explanation that the patient may incur financial
79 liability that is greater than the patient would incur if the hospital-
80 based facility was not hospital-based; and

81 (3) That a patient covered by a health insurance policy should
82 contact the health insurer for additional information regarding the
83 hospital's or health system's charges and fees, including the patient's
84 potential financial liability, if any, for such charges and fees.

85 (c) The written notice described in subsections (a) and (b) of this
86 section shall be in plain language and in a form that may be reasonably
87 understood by a patient who does not possess special knowledge
88 regarding hospital or health system facility fee charges.

89 (d) (1) For nonemergency care, if a patient's appointment is
90 scheduled to occur ten or more days after the appointment is made,
91 such written notice shall be sent to the patient by first class mail,
92 encrypted electronic mail or a secure patient Internet portal not less
93 than three days after the appointment is made. If an appointment is
94 scheduled to occur less than ten days after the appointment is made or
95 if the patient arrives without an appointment, such notice shall be
96 hand-delivered to the patient when the patient arrives at the hospital-
97 based facility.

98 (2) For emergency care, such written notice shall be provided to the
99 patient as soon as practicable after the patient is stabilized in
100 accordance with the federal Emergency Medical Treatment and Active
101 Labor Act, 42 USC 1395dd, as amended from time to time, or is
102 determined not to have an emergency medical condition and before
103 the patient leaves the hospital-based facility. If the patient is
104 unconscious, under great duress or for any other reason unable to read
105 the notice and understand and act on his or her rights, the notice shall
106 be provided to the patient's representative as soon as practicable.

107 (e) Subsections (a) to (d), inclusive, of this section shall not apply if a

108 patient is insured by Medicare or Medicaid or is receiving services
109 under a workers' compensation plan established to provide medical
110 services pursuant to chapter 568 of the general statutes.

111 (f) A hospital-based facility shall prominently display written notice
112 in locations that are readily accessible to and visible by patients,
113 including patient waiting areas, stating that: (1) The hospital-based
114 facility is part of a hospital or health system, and (2) if the hospital-
115 based facility charges a facility fee, the patient may incur a financial
116 liability greater than the patient would incur if the hospital-based
117 facility was not hospital-based.

118 (g) A hospital-based facility shall clearly hold itself out to the public
119 and payers as being hospital-based, including, at a minimum, by
120 stating the name of the hospital or health system in its signage,
121 marketing materials, Internet web sites and stationery.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	New section
Sec. 2	<i>October 1, 2014</i>	New section

GL *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill requires hospitals or health systems to disclose facility fees to certain patients receiving services. There is no state or municipal fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sHB 5337

AN ACT CONCERNING FEES CHARGED FOR SERVICES PROVIDED AT HOSPITAL-BASED FACILITIES.

SUMMARY:

This bill requires a hospital or health system that charges a facility fee to notify a patient in writing (1) that the facility is part of a hospital or health system that charges a facility fee, (2) of the patient's potential financial liability, and (3) that he or she should contact his or her health insurance company for additional information.

It also requires a hospital-based facility to (1) prominently display a sign indicating it charges a facility fee and (2) clearly hold itself out as hospital-based.

Under the bill, a "facility fee" means any fee a hospital or health system charges or bills for outpatient hospital services provided in a hospital-based facility that is (1) intended to compensate the hospital or health system for its operational expenses and (2) separate and distinct from a professional fee. A "health system" is (1) a parent corporation of one or more hospitals and any entity affiliated through ownership, governance, membership, or other means or (2) any entity affiliated with a hospital through ownership, governance, membership, or other means.

Under the bill, the notice requirements are not applicable to Medicare or Medicaid patients, or those receiving services under a workers' compensation plan that provides medical services.

EFFECTIVE DATE: October 1, 2014

NOTICE REQUIREMENT

The bill requires a hospital or health system that charges a facility fee to notify a patient in writing of certain information. The written notice must be in plain language that is reasonably understood by a patient who does not have special knowledge of hospital or health system facility charges. The notice must include information that:

1. the hospital-based facility is part of a hospital or health system that charges a facility fee in addition to and separate from the provider's professional fee;
2. the patient's financial liability will depend on the professional medical services actually provided;
3. explains that the patient may incur financial liability greater than he or she would incur if the professional medical services were not provided by a hospital-based facility; and
4. patients covered by a health insurance policy should contact their health insurer for additional information on the hospital's or health system's charges and fees, including whether the patient is potentially financially liable for any charges and fees.

FACILITY FEES USING CURRENT PROCEDURAL TERMINOLOGY EVALUATION AND MANAGEMENT (CPT E/M) CODE

In addition, the bill requires hospitals or health care systems that charge a facility fee using a CPT E/M code for outpatient services provided at a hospital-based facility where a professional fee is also expected to be charged to provide the patient with additional information on the amount of the patient's potential financial liability, including:

1. any facility fee likely to be charged;
2. any professional fee likely to be charged if professional medical services are provided by an affiliated provider; or
3. an estimate of the patient's financial liability based on typical or average charges for the visits to the hospital-based facility,

including the facility fee, if the exact type and extent of the professional medical services needed or the terms of a patient's health insurance coverage are not known with reasonable certainty.

SENDING NOTICE

Nonemergency Care

Under the bill, for nonemergency care where a patient's appointment is scheduled for 10 or more days after the appointment is made, the hospital or health care system must send written notice to the patient through first class mail, encrypted electronic mail, or a secure patient Internet portal within three days after the appointment is made. For appointments scheduled to occur within 10 days after they were made, or if the patient arrives without an appointment, the notice must be hand-delivered to the patient when he or she arrives at the facility.

Emergency Care

The bill requires hospitals or health systems to provide written notice to an emergency care patient as soon as practicable after the patient is stabilized or is determined not to have an emergency medical condition and before he or she leaves the facility. If the patient is unconscious, under great duress, or unable to read the notice and understand and act on his or her rights for any other reason, the notice must be provided to the patient's representative as soon as practicable.

PROMINATELY DISPLAYED SIGN

The bill requires a hospital-based facility to prominently display written notice in readily accessible locations visible by patients, including in the patient waiting areas. The sign must state that:

1. the hospital-based facility is part of a hospital or health system, and
2. if the hospital-based facility charges a facility fee, the patient

may incur a financial liability greater than the patient would incur if the hospital-based facility was not hospital-based.

Under the bill, a hospital-based facility must clearly hold itself out to the public and payers as being hospital-based, including stating the name of the hospital or health system on its sign, marketing material, Internet websites, and stationery.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/13/2014)