

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 14-145—sHB 5337
General Law Committee
Public Health Committee

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

SUMMARY: This act requires a hospital or health system to notify individual patients and the public that it charges a facility fee for outpatient services. The facility providing the service (hospital-based facility) must notify a patient in writing (1) that the facility is part of a hospital or health system that charges a facility fee, (2) about the patient’s potential financial liability, and (3) that the patient should contact his or her health insurance company for additional information. The specific content of the notice depends on the facility’s billing system, and the deadline for sending the notice depends on when the patient’s appointment is made. The patient notice requirements do not apply to Medicare or Medicaid patients or those receiving services under a workers’ compensation plan.

The act also requires a hospital-based facility to (1) prominently display a sign indicating it charges a facility fee and (2) market itself as a hospital-based facility.

Under the act, 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, which is any fee charged or billed by a provider for professional medical services provided in a hospital-based facility. 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.

EFFECTIVE DATE: October 1, 2014

INDIVIDUAL PATIENT NOTICE

General Requirements

The act requires a hospital or health system that charges a facility fee to notify patients receiving outpatient services in writing about their potential financial liability. The 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. It must state 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;

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2. the patient's financial liability depends on the professional medical services actually provided;
3. 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. a patient covered by a health insurance policy should contact his or her health insurer for additional information on the hospital's or health system's charges and fees, including whether he or she is potentially financially liable for any charges and fees.

Requirements for Facilities Using Current Procedural Terminology Evaluation and Management (CPT E/M) Codes

The act requires the notice to provide additional information if the hospital or health care system provides outpatient services at a facility that (1) uses CPT E/M codes and (2) expects to charge a separate fee for professional medical services. The notice issued by these hospitals or health systems must:

1. identify any facility fee that will likely be charged;
2. identify any professional fee likely to be charged if professional medical services are provided by an affiliated provider; or
3. estimate 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.

Notice Delivery

The timeframe for sending the patient's notice depends on when the patient's appointment is made and whether it is for an emergency situation.

Nonemergency Care. Under the act, for nonemergency care when a patient's appointment is scheduled for 10 or more days after the appointment is made, the hospital or health system must send written notice to the patient through first class mail, encrypted email, 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 act 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 hospital or health system must provide the notice to the patient's representative as soon as practicable.

NOTICE TO THE PUBLIC

Prominently Displayed Sign

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The act requires a hospital-based facility to prominently display written notice in readily accessible locations visible by patients, including 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 facility was not a hospital-based facility.

Other Marketing Material

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

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