
OLR Bill Analysis

sSB 303

AN ACT CONCERNING OUTPATIENT CLINICS, URGENT CARE CENTERS AND FREESTANDING EMERGENCY DEPARTMENTS.

SUMMARY

This bill requires the Office of Health Strategy to adopt regulations to require outpatient clinics, urgent care centers, and freestanding emergency departments to display signs that clearly indicate whether they are (1) such type of facility and (2) owned by a hospital or hospital system.

It defines “freestanding emergency department” as a free-standing emergency care facility that is a department of a hospital, but structurally separate and distinct from the hospital. The bill applies existing definitions of “outpatient clinic” and “urgent care center” (see BACKGROUND).

The bill also specifies that a hospital’s off-site emergency department may charge facility fees for certain outpatient services only if it is a provider-based entity authorized under Medicare to bill for emergency procedures (see BACKGROUND).

EFFECTIVE DATE: October 1, 2018

FACILITY FEES AT OFF-SITE EMERGENCY DEPARTMENTS

Under current law, hospitals, health systems, and hospital-based facilities generally may not collect facility fees for outpatient services that use a current procedural terminology evaluation and management code and are provided at a hospital-based facility located away from the hospital’s campus. This restriction does not apply to off-site emergency departments. The bill specifies that the exception only applies to such departments that are provider-based entities authorized under Medicare to bill for emergency procedures.

BACKGROUND

Outpatient Clinics and Urgent Care Centers

By law, an “outpatient clinic” is an organization operated by a municipality or corporation, other than a hospital, that provides (1) ambulatory medical care, including preventive and health promotion services; (2) dental care; or (3) mental health services in conjunction with medical or dental care for the purpose of diagnosing or treating a health condition that does not require overnight care.

An “urgent care center” is a free-standing facility, separate from an emergency department, that is licensed as an outpatient clinic and (1) treats medical conditions that do not require critical or emergent intervention for life-threatening or potentially permanently disabling conditions; (2) treats these conditions without requiring an appointment; and (3) provides services during times when primary care provider offices are not customarily open.

Facility Fees

By law, a “facility fee” is 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 from the provider’s professional fee (CGS § 19a-508c(a)).

Medicare Provider-Based Entities

Under the federal Centers for Medicare and Medicaid Services “provider-based status” rules, Medicare will reimburse for facility fees for services at hospital-based facilities (such as a group practice owned by the hospital) meeting certain requirements, but not at physicians’ offices not affiliated with a hospital.

A facility or practice has provider-based status, and thus can bill for facility fees, if it has a relationship with the main provider (i.e., the hospital) concerning a range of issues, such as licensure, clinical and financial integration with the hospital, public awareness, and billing practices. The regulations specify payment recovery procedures if a hospital inappropriately treats a facility as provider-based (42 C.F.R. §

413.65).

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 26 Nay 0 (03/26/2018)