



Senate Bill 1103 - Hospitals and Related Institutions - Outpatient Facility Fees

Position: *Support with Amendments*

March 8, 2024

Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 1103 with amendments.

SB 1103 makes several changes to the statute governing the required disclosure notice hospitals must provide to patients for outpatient facility fees. The bill significantly broadens the definition of "outpatient facility fee" beyond hospital-based clinic services, as the law requires now. This broader definition was rejected by the General Assembly in 2020 when it passed the Facility Fee Right-to-Know Act. The bill was focused on hospital-based clinics as the issue was driven by the confusion patients may experience when visiting physician offices on a hospital campus, particularly in space that is outside of the hospital's main building. It is in these hospital-based clinics where some patients may not know their visit is taking place "at the hospital" and that they will be billed by both the health care provider and the hospital for the visit. These same concerns are largely not present with other kinds of hospital outpatient services.

Implementing the current notice requirement was a very large undertaking for Maryland hospitals, requiring a tremendous amount of time and resources. The definition proposed under SB 1103 is extremely broad and would include any regulated outpatient facility fee charged by a hospital. This would include observation, outpatient surgery, imaging, laboratory, and a host of other services. Not only would hospitals be unable to comply with the law's notice requirements in many instances (such as when the services are unscheduled), it will likely further confuse patients and may unintentionally encourage people to not seek essential medical care.

Given the bill requires the Health Services Cost Review Commission (HSCRC), in consultation with stakeholders, to study and make recommendations on the use of hospital facility fees in Maryland, making such a significant change to the definition of "outpatient facility fee" is premature. The study's requirements are detailed and comprehensive and will enable better informed decision making. It will also allow time to determine the impact of the federal No Surprises Act on further facility fee disclosure proposals.

The hospital field recommends that no additional changes be made to the current law governing hospital outpatient facility fees until the conclusion of the comprehensive study by HSCRC.

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