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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB915

Health Facilities - Hospitals - Disclosure of Outpatient Facility Fees (Facility Fee Right-to-Know Act)

Dear Chair Pendergrass and Members of the Health and Government Operations Committee:

Out of pocket health care expenses are a challenge for so many Marylanders. We're all working very hard to make it easier for everyone to get the care they need without going bankrupt—we're way ahead of the game here in Maryland. However, there is more we can do: we can inform people about facility fees before they make that doctor's appointment and incur an unexpected out-of-pocket cost. That's what this bill does.

A facility fee is an additional expense that is attached to outpatient doctor's visits that take place in a hospital setting. This fee is perfectly legal; our hospital rate setting agency permits it and furthermore sets the fee. For example, Johns Hopkins Outpatient Clinics are housed inside the same building complex as their inpatient, or hospital, units. For years, I was probably being charged a facility fee every year when I went to see my doctor for my regular outpatient visit. I've been fortunate that my health insurance plan covers this cost. But not every Marylander is so lucky.

HB915 is a bill that was brought to me by the Office of Attorney General Health Education Advocacy Unit (HEAU) last year (HB849) after the HEAU received numerous complaints from patients in Maryland about outsized—and unanticipated—hospital facility fees. This committee and the House of Delegates passed HB849 by unanimous vote, but it did not receive a hearing in the Senate Finance Committee.

The problem of facility fees has not been resolved since I first introduced the bill. On November 12, 2019, Senate Finance Committee Chair Dolores Kelly asked the HEAU, Maryland Hospital Association (MHA) and Maryland Health Services Cost Review Commission (HSCRC) to brief her committee members, as well as a number of Health and Government Operations Committee members, on the issue of hospital facility fees. During this meeting, Chair Kelly echoed the feelings of this committee during the 2019 session: patients are being caught unawares by burdensome facility fees under the current system, and the least that this body can do is to require hospitals to properly notify patients about these fees.

HB915 has three key provisions: first, hospitals must inform patients by written and oral notice if they will be charged that additional facility fee when they see their doctor. Second, hospitals must tell patients if they can avoid the fee by seeing their doctor at a non-hospital based location. Finally, hospitals must provide patients with the estimated cost or range of costs that they will be charged for the facility fee.

This bill does not change the facility fee, or try to overturn it. Rather, it says that transparency is essential, and people have a right to know whether and how much they will be charged.

From the very beginning, I have brought stakeholders to the table to gather input on this important issue in order to reach consensus, and I will continue to seek comments and feedback as the bill moves forward.

Transparency in health care costs is one of the most important goals of health reform. This bill brings us just a few steps closer to achieving it.

Thank you for your consideration and I ask for a favorable report.