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SB 632

March 5, 2020

TO: Members of the Senate Finance Committee

FROM: Nicholas Blendy, Deputy Director of Government Relations

RE: Senate Bill 632 – Health Facilities - Hospitals – Disclosure of Outpatient Facility Fees

POSITION: SUPPORT

Chair Kelley, Vice Chair Feldman, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 632.

Unexpected medical bills are the most frequently cited concern among Americans when it comes to their family budget, even rising above housing, heating, and food expenses.¹ When a patient receives their medical bill, it is often surprising to see a facility fee added to their total cost. Hospitals include facility fee charges in medical bills that are completely divorced from received clinical services. Depending on their health insurance coverage, patients may be required to shoulder a burdensome amount of the facility fee out-of-pocket.² Further compounding the situation, hospitals frequently do not notify patients of facility fees until after receiving services, which can make disputing a charge particularly difficult.

In Baltimore City, one in three households makes less than \$25,000 per year. With this in mind, unanticipated facility fee charges included in medical bills can add incredible strain to families already struggling with financial insecurity.³ This bill, in

¹ Lopes L et al. Data Note: Public Worries About And Experience With Surprise Medical Bills. Kaiser Family Foundation. Published: 28 February 2020. Available from: <https://www.kff.org/health-costs/>

² Schulte F. Hospital ‘Facility Fees’ Boosting Medical Bills, And Not Just for Hospital Care. The Center for Public Integrity. 20 December 2012. Available from: <https://publicintegrity.org/>

³ U.S. Census Bureau. 2012-2016 American Community Survey 50Year Estimates, Table CP03, Comparaitve Economic Characteristics. Suitland, MD: U.s Census Bureau.

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requiring hospitals to notify patients of outpatient facility fees, ensures greater transparency in the medical billing process. This transparency measure has gained traction across the country. In Connecticut, lawmakers successfully passed a bill similar to SB 632 requiring all hospitals and medical providers to disclose facility fees up front.⁴ Altogether, SB 632 empowers Marylanders by making them fully informed of their anticipated healthcare costs, and allowing them to plan accordingly.

We respectfully request a **favorable** report on Senate Bill 632.

⁴ General Reporting Requirements of Entities: Cost and Market Impact Reviews (CMIR) Facility Fees. Connecticut Office of Health Strategy. 10 April 2018. Accessed 28 February 2020. Available from: <https://portal.ct.gov/>