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Facility Fees and Facility Notices

Required by Sections 2 and 3 of Chapter 142 (2024)

December 2024

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Executive Summary

This report, mandated by Maryland law, provides an overview of facility fees and facility fee notice requirements.¹ The Health Services Cost Review Commission (HSCRC) is tasked with evaluating the impact of expanding facility fee notice requirements on consumers, including Medicaid recipients and those with recurring appointments, while considering the effects on providers and payers. This document also serves as the interim report for the more comprehensive study on these issues due in 2025.

Key Findings

1. **Overview of Facility Fees:** Facility fees are charges from institutional providers, such as hospitals, intended to cover the overhead costs of operating healthcare facilities. These fees are distinct from professional fees charged by clinicians for their services.
2. **Hospital Costs Covered by Facility Fees:** Facility fees cover a wide range of hospital costs, including maintaining inpatient capacity, emergency services, higher staffing requirements, specialized equipment, and administrative expenses.
3. **Regulation of Facility Fee Notices in Maryland:** Maryland hospitals are required to provide facility fee notices to patients for certain outpatient services. These notices aim to educate consumers about facility fees, provide an estimate of the hospital charge, and promote consumer choice.

Recommendations

The report recommends clarifying existing law to ensure that Medicaid beneficiaries, who have no out-of-pocket costs, do not receive facility fee notices. For most other patients, the report recommends that facility fee notice requirements be expanded to more outpatient hospital services and more hospitals, so that these notices reach more patients. This report recommends that implementation of this expanded requirement be delayed until 2026, as the HSCRC will continue to study the effectiveness of these notices in 2025. The report recommends clarifying that hospitals may provide the notices on a monthly basis for patients with recurring appointments. Finally, the HSCRC recommends clarifying the definitions of facility and

¹ 2024 MD Laws Ch. 142.

professional fees to align with how these terms are used by hospitals, insurers, and policy professionals.

Introduction

Maryland law requires the Health Services Cost Review Commission (HSCRC) to submit reports in 2024 and 2025 on the regulation of hospital facility fees, including the requirement that hospitals provide notices to consumers of facility fees.² In 2024, the HSCRC is required to submit a report that:

1. Considers the impact on consumers of expanding the facility fee notice requirement, including the impact on Medicaid recipients and consumers with recurring appointments, with consideration given to the impact on providers and payers.
2. Makes recommendations on expanding the outpatient facility fees notice requirement to all outpatient services, including services provided by out-of-state hospitals at outpatient locations in the State.

The intended purpose of facility fee notices is to educate consumers who face cost sharing about facility fees and promote consumer choice. This report describes facility fees; the impact of facility fee notices on patients, hospitals, and payers; and requirements for facility fee notices in other states. It makes recommendations related to the expansion of facility fee notices to more services than is required under current law.

This report also contains preliminary information on a broader study on the regulation of hospital facility fees that must be completed in 2025 and serves as the required interim report on that study. The study on facility fee regulation requires that the HSCRC provide the following information:

1. The nature of costs underlying hospital outpatient facility fees and how similar costs are recovered in other health care settings. *Preliminary information on this topic is included in this report.*
2. The drivers of hospital facility costs that are unique to hospitals and are not reflected in other health care settings. *Preliminary information on this topic is included in this report.*

² 2024 MD Laws Ch. 142.

3. The magnitude and impact of hospital facility fee charges for hospitals, payers, and consumers. *This information will be included in the 2025 report.*
4. Industry practices for seeking authority for an outpatient location to be approved as “at the hospital” and thereby subject to rate regulation. *Preliminary information on this topic is included in this report.*
5. Alternative mechanisms or revisions to the billing of the facility fees that would allow hospitals to recover costs while protecting individual consumers from high facility fee bills, maintaining access to health care services, and addressing health equity concerns. *This information will be included in the 2025 report.*
6. The interaction of the alternative mechanisms or revisions studied under item (5) of this subsection with the State’s Total Cost of Care model obligations to the federal government, including any impact on Medicare total cost of care savings if outpatient facility fees are eliminated or reduced. *This information will be included in the 2025 report.*
7. The impact of the alternative mechanisms or revisions studied under item (5) of this subsection on Medicaid, Medicare, and commercial insurance, including consumer out-of-pocket costs, with a particular focus on the interaction with high-deductible commercial insurance products. *This information will be included in the 2025 report.*
8. Published material on efforts in other states, by federal Medicare and Medicaid regulatory agencies, and by national advocacy organizations related to the regulation or minimization of facility fees, and the potential effects that similar efforts may have on health care costs in the State, including consumers’ out-of-pocket costs. *This information will be included in the 2025 report.*
9. The regulation of fees charged by out-of-state hospital outpatient facilities located in the State. *Preliminary information on this topic is included in this report.*
10. The effectiveness of the notice of hospital outpatient facility fees that is provided to consumers. *Preliminary information on this topic is included in this report.*

The HSCRC will submit a final report on the study described above in 2025.

Process for Report Development

The HSCRC consulted with national experts on facility fees and with stakeholders through a workgroup to develop this report. The purpose of the stakeholder workgroup was to:

- Advise the HSCRC on expanding the application of the hospital outpatient facility fee notice requirement to all outpatient services, including services provided by out-of-state hospitals at outpatient locations in the State; and
- Consider the impact of expanding the facility fee notice requirement on consumers, including Medicaid recipients and consumers with recurring appointments, with consideration given to the impact on providers and payers.

The Facility Fee workgroup met three times in 2024. These meetings focused on facility fee notice requirements. HSCRC staff solicited comments from workgroup members and the public during each meeting and allowed for a written comment period after each meeting. HSCRC staff also solicited oral and written comments from workgroup members on a draft of this report. Appendix A contains more information about the workgroup and stakeholder engagement process.

Consensus was not achieved in all workgroup discussions. The HSCRC drafted the recommendations in this report after considering the viewpoints of stakeholders and experts. Differing stakeholder perspectives are summarized under each recommendation.

What is a Facility Fee?

For purposes of this report, a “facility fee” is defined as a charge from an institutional provider, such as a hospital, that is intended to cover the overhead costs of operating the health care facility (see the “Hospital Costs Covered by Outpatient Facility Fees” section below). This report will focus on facility fees charged by hospitals for outpatient services. Facility fees may also be referred to as “hospital charges.” This report does not address hospital charges for emergency department (ED) or inpatient hospital services or facility fees charged by other types of facilities.³

³ Another type of facility that may charge facility fees is an ambulatory surgery center.

Facility fees are distinct from professional fees. Professional fees are charges from physicians or advanced practice providers (such as nurse practitioners) for services the clinician provided during the patient's visit. Professional fees reimburse clinical professionals for the services they provide to the patient. A practice of clinical professionals who work in a traditional office setting (e.g., a doctor's office) that is not owned by a hospital may only bill professional fees.

For services provided at a hospital, there are usually two charges: 1) the facility fee and 2) the professional fee. The patient may receive these charges through a single bill (this is more common if the professional is employed by the hospital) or two bills (this may be more likely if the professional and the hospital are separate legal entities). For example, for an outpatient surgery conducted at a hospital, there will be a hospital charge for the operating room time and professional charges from the surgeon and anesthesiologist. Some patients, including those enrolled in Maryland Medicaid and those whose costs are covered by workers compensation or auto insurance, face no out-of-pocket costs when a facility fee bill is charged; their insurance covers the whole amount of the hospital charge.

There are some services that occur at hospitals that have a facility fee with no associated professional fee. For example, if the staff member who provided the service to the patient does not have the authority to bill a professional fee (e.g., dietitians), there will be no professional fee, but there will be a facility fee. Again, patients with Medicaid or other types of insurance with no cost sharing will face no out-of-pocket costs for these facility fees.

Facility Fees and Professional Fees May Reimburse Different Entities

Historically, hospitals and physician practices were separate businesses. The facility fee was paid to cover the facility's costs, and the professional fee went to the independent physician practice. Over time, the percentage of physicians and other clinical professionals in private practice has decreased. Nationally, the percentage of physicians "working in practices at least partially owned by a hospital or health system increased from 23.4% to 31.3% between 2012 and 2022."⁴ Another

⁴ American Medical Association, "AMA examines decade of change in physician practice ownership and organization", July 12, 2023.
<https://www.ama-assn.org/press-center/press-releases/ama-examines-decade-change-physician-practice-ownership-and>

study estimates that 55.1% of physicians were hospital-employed as of January 2024.⁵ Despite this decrease in independent physician practices, there are still physicians employed by independent practices working in hospital settings. For example, some hospitals in Maryland contract with an independent practice of physicians who provide care in their EDs. When a physician works in a hospital but is not employed by the hospital, the hospital charge is paid to the hospital and the professional fee goes to the independent physician practice.

Locations where Facility Fees are Billed in Maryland

The locations where facility fees are billed in Maryland are partly determined by whether or not the HSCRC regulates the hospital's rates. Maryland hospitals that are rate-regulated by the HSCRC only charge facility fees for HSCRC-regulated hospital services (see "The Regulation of Facility Fee Notices" section below for more information), and these services must have taken place on the hospital's campus. The HSCRC does not believe that these hospitals are charging facility fees in office buildings that are geographically distant from the hospital campus. This is an important difference from the rest of the country. In other states, "as hospitals and health systems expand their ownership and control of ambulatory care practices, they are typically charging new facility fees for services delivered in these outpatient settings," including outpatient settings that are not on the hospital campus.⁶

There are a limited number of in-state hospitals that are not rate-regulated by the HSCRC.⁷ In addition, there are out-of-state hospitals that own outpatient facilities in Maryland. The HSCRC does not monitor whether these hospitals charge facility fees for both on-campus and off-campus outpatient settings. The HSCRC has received reports of an out-of-state hospital with offices in Maryland charging facility fees at off-campus office locations in Maryland.

⁵ Avalere Health. "Updated Report: Hospital and Corporate Acquisition of Physician Practices and Physician Employment 2019-2023." April 2024.

<https://www.physiciansadvocacyinstitute.org/Portals/0/assets/docs/PAI-Research/PAI-Avalere%20Physician%20Employment%20Trends%20Study%202019-2023%20Final.pdf?ver=uGHF46u1GSeZgYXMKFyYvw%3d%3d>

⁶ Monahan, C., Davenport, K., Swindle, R., and Picher, C., "Regulating Outpatient Facility Fees: States Are Leading the Way to Protect Consumers", July 2023.

<https://georgetown.app.box.com/v/statefacilityfeeissuebrief>

⁷ The HSCRC does not regulate specialty hospitals with high percentages of Medicare and Medicaid patients. Kennedy Krieger is an example of a specialty hospital with a high public payer mix.

The HSCRC will include more detail on facility fees in a report due in 2025.

Hospital Costs Covered by Outpatient Facility Fees

Hospital facility fees cover a wide variety of costs unique to hospitals. Please note that these costs do not necessarily relate to the care delivered to the patient receiving outpatient services for which the facility fee is charged; rather, they are intended to account for hospital overhead charges. The following are examples of costs that are covered by hospital facility fees:

1. Costs related to maintaining inpatient capacity and emergency services, such as capacity for anticipated seasonal increases in patient volume (like the winter respiratory virus season) and mass casualty events.
2. Costs related to compliance with federal and state regulatory standards, which are higher for hospitals than for physician offices. For example, the federal Emergency Medical Treatment & Labor Act (EMTALA), requires EDs to stay open 24/7/365 and to triage and stabilize patients, regardless of their ability to pay. Similarly, under Maryland regulations, trauma hospitals must pay physicians to stay on “standby” status to respond to emergencies.⁸ Non-profit hospitals are also required to provide community benefits under federal law.⁹
3. Operating and administrative expenses related to remaining open 24/7. These expenses are higher than a physician’s office due to higher staffing requirements to provide care throughout the hospital on a 24/7 basis, including the compensation for clinical professionals who are not able to bill for their services through professional fees.
4. Higher non-clinical staffing needs, including care coordinators and discharge planners.

⁸ The cost of having these physicians on site, waiting to serve patients, cannot be reimbursed through professional fees. For a more detailed discussion of “standby” costs and Maryland regulation of trauma centers, see HSCRC’s 2024 report “Evaluation of Findings and Recommendations from the Commission to Study Trauma Center Funding in Maryland.”

⁹ MD law defines hospital community benefits as a “planned, organized, and measured activity that is intended to meet identified community health needs within a service area.” Hospital community benefit activities are reported to HSCRC annually and posted on HSCRC’s website:

<https://hscrc.maryland.gov/pages/default.aspx>

5. Higher costs for administration of a complex facility and higher capital and maintenance expenses for the larger physical spaces that hospitals must maintain to provide a broader set of services than physician offices provide.
6. Higher indirect costs, such as for housekeeping, cybersecurity, and professional liability insurance.
7. Requirements for more specialized diagnostic or therapeutic equipment and supplies related to the broad set of services that a hospital provides.
8. The costs related to providing graduate education for medical students and residents.
9. The cost of providing financial assistance for patients, as required by Maryland law.¹⁰

Hospitals use the revenue from facility fees to subsidize salaries for physicians who are employed by hospitals and who provide outpatient care in office buildings that do not charge facility fees. These subsidies, which provide income to the physicians in excess of the amount of the professional fees, improve physician recruitment and retention. Facility fees also fund executive compensation, advertising, and other costs.

The costs listed above relate to operating the hospital as a whole, covering overhead for providing inpatient, ED, and outpatient services. This means that facility fees charged for outpatient services are, in part, subsidizing services offered by other parts of the hospital.

Independent physician offices outside of hospitals also have overhead costs.¹¹ While some of these costs fall into similar categories as the costs listed above (e.g., administrative staffing, housekeeping, and facility maintenance), these costs are lower than the costs described above. These offices have less equipment, lower staff needs, and fewer hours. The overhead costs of independent physician offices are covered by professional fees. Many services can be performed safely and effectively in these lower-cost settings.

The HSCRC will further study the costs associated with facility fees in the forthcoming 2025 report.

¹⁰ Health General § 19-214.1

¹¹ While this paragraph focuses on physician offices, it applies to independent practices of other clinical practices that can bill for their services, such as nurse practitioners and physical therapists.

Purpose of Facility Fee Notice Requirements

The intended purpose of facility fee notices is to educate consumers who face cost sharing about facility fees and promote consumer choice. Specifically, these notices are designed to accomplish one or more of the following goals:

1. Provide transparency about the existence of facility fees so that consumers are not surprised when they receive bills for both a facility fee and a professional fee.
2. Provide transparency about the likely amount of the facility fee (if the facility fee notice provides an estimate of the amount of the fee that will be charged to the consumer).
3. Educate the consumer that they may choose to seek care at a location that does not have a facility fee, which may have lower out-of-pocket costs for the consumer.
4. Increase awareness of facility fees as a public policy issue.¹²

The Regulation of Facility Fee Notices in Maryland

Under current law, Maryland hospitals are required to provide a facility fee notice to patients with visits that meet the following criteria:

1. The hospital charge for the visit is regulated by the HSCRC;
2. The visit is for an outpatient service; and
3. The outpatient service is within the HSCRC's clinic rate center.¹³

¹² Monahan, C., Davenport, K., and Swindle, R., "Protecting Patients from Unexpected Outpatient Facility Fees: States on the Precipice of Broader Reform", Georgetown University Center on Health Insurance Reforms, July 2023.

<https://facilityfeereform.chir.georgetown.edu/wp-content/uploads/Full-Report-Protecting-Patients-from-Unexpected-Outpatient-Facility-Fees-2023.pdf>

¹³ Facility fee notices are required for visits related to a "hospital outpatient charge approved by HSCRC for an outpatient clinic service, supply, or equipment, including the service of a non-physician clinician" (MD Code Ann., Health-Gen §19-349.2). This requirement has been in effect since July 2021. In 2024, the Maryland General Assembly amended the law to change the text of the required facility fee notice. 2024 MD Laws Ch. 142.

If a hospital does not provide the required facility fee notice to a patient, the hospital may not charge, bill, or attempt to collect an outpatient facility fee.¹⁴ Violations of the facility notice requirement may also be a violation of the Maryland Consumer Protection Act.¹⁵

This section describes which services require a facility fee notice under current law, and which services do not require a facility fee notice. It also describes the language that the facility fee bill must contain.

Which Hospital Charges are Regulated by the HSCRC?

Currently, facility fee notices are only required for certain HSCRC-regulated services. Whether a hospital charge is regulated by the HSCRC depends on features of the hospital itself and where the service is provided relative to the hospital campus.

Types of Hospitals Regulated by the HSCRC

In Maryland, the HSCRC regulates charges at all general acute care hospitals and some specialty hospitals located in the State.¹⁶ The HSCRC does not set rates for some specialty hospitals that have a very high proportion of patients with Medicare or Medicare coverage and a low proportion of patients with commercial insurance.¹⁷ The HSCRC does not regulate rates for out-of-state hospitals (even if the hospital provides outpatient services in Maryland offices). This means that, under current law, facility fee notices are not required for specialty hospitals that are not regulated by the HSCRC or medical offices in Maryland that are owned by out-of-state hospitals.

¹⁴ MD Code Ann., Health-Gen §19-349.2(g).

¹⁵ The Attorney General's Office has multiple enforcement options under the Consumer Protection Act, including injunctive relief to prohibit future violations of the Act; restitution and damages for injured consumers; civil penalties; and criminal penalties. Md. Code, Com. § 13-401 et seq.

¹⁶ The HSCRC has been responsible for setting rates for hospital services for all payers in Maryland since 1977. The HSCRC sets rates for all-payers (including Medicare, Medicaid, commercial insurance, and self-pay individuals) at general acute and chronic care hospitals. The HSCRC sets annual prospective global budgets on the hospital's revenue, referred to as global budget revenue (GBR). GBRs promote cost containment and efficiency in hospital operations by providing a fixed budget for all services delivered by the hospital rather than reimbursing hospitals based on the volume of services. The HSCRC is statutorily required to ensure that the total costs at each hospital are reasonable and that aggregate charges are reasonably related to the aggregate costs at that hospital.

¹⁷ For specialty hospitals, including psychiatric hospitals and Mt. Washington Pediatric Hospital, the HSCRC only sets commercial insurance rates, not the rates for Medicare and Medicaid. For this reason, the HSCRC does not regulate specialty hospitals with high percentages of Medicare and Medicaid patients. Kennedy Krieger is an example of a specialty hospital with a high public payer mix.

Types of Services Regulated by the HSCRC

For hospitals that are subject to HSCRC rate regulation, the HSCRC only regulates rates for the following categories of hospital services:

1. Inpatient services;
2. Emergency services; and
3. Outpatient services “at the hospital.”¹⁸

Current law does not require facility fee notices for HSCRC-regulated inpatient services or emergency services.¹⁹ The HSCRC does not regulate rates for outpatient services provided by a regulated hospital that the HSCRC has determined are not “at the hospital.”²⁰ This includes hospital-owned office buildings that are off of the hospital campus. The HSCRC occasionally determines that an office or other space that provides outpatient services on a hospital campus is not subject to rate regulation. This means that facility fee notices are not currently required for outpatient services that are provided through HSCRC-regulated hospitals but are provided at locations that the HSCRC has determined are not “at the hospital,” such as medical office buildings that are located off the hospital campus.²¹

Each year, hospitals submit to the HSCRC a list of outpatient services that are:

1. Provided by entities that are owned by the hospital regardless of whether it is a regulated or unregulated service, no matter where the services are located, or
2. Not owned by the hospital but located in the principal hospital buildings or in other buildings in which regulated hospital services are provided.

¹⁸ MD Code Ann., Health-Gen Art. §19–211; §19–201.

¹⁹ MD Code Ann., Health-Gen Art. §19–349.2(a)(3) and (b). The exclusion of ED services was built into Maryland law because it is difficult to provide this notice before care is delivered in an emergency situation and the patient in an emergency does not have a choice to seek care at a non-hospital location.

²⁰ MD Code Ann., Health-Gen Art. §19–211; §19–201.

²¹ The HSCRC does not have evidence that Maryland hospitals are charging facility fees at outpatient offices that are not “at the hospital,” so no notice may be needed in these locations. The HSCRC will continue to research this issue for the 2025 report.

These surveys include whether the service is regulated by the HSCRC. This information is posted on the HSCRC's website.²²

Rate Centers and HSCRC Regulation

HSCRC-regulated hospitals are only required to provide facility fee notices for outpatient services *within the HSCRC's clinic rate center*,²³ which are a subset of HSCRC-regulated outpatient services.²⁴ Rate centers are not a useful concept for defining what services are subject to the facility fee notice requirement if the recommendation to expand facility fee notice requirements beyond HSCRC-regulated settings is implemented (see below).

Facility Fee Notice Content and Form

The facility fee notice law specifies the required text for facility fee notices (see Appendix C).²⁵ Hospitals may use the exact text provided in the law or a "substantially similar form."²⁶ The notice includes general information about facility fees, the possibility of avoiding them at other locations, an estimate of the amount of the total charge, notice that the consumer may not be liable for the total charge due to their insurance, and instructions for filing complaints about facility fees. It also includes a space for the patient's signature to confirm receipt of the notice.

Timing of Notice

Hospitals must provide the facility fee notice at the time an appointment is made.²⁷ The patient is required to acknowledge the notice at the time of the appointment. These notices are not required to be provided after the hospital service is rendered. If a patient makes an appointment in person or over the phone, then the notice must be provided orally at the time the appointment is made,

²² <https://hscrc.maryland.gov/Pages/pdr-outpatient-services-survey.aspx>

²³ Rate centers are a way of categorizing HSCRC-regulated hospital services with similar characteristics for purposes of rate setting and financial reporting. A rate center may or may not be a department within the hospital.

²⁴ Examples of HSCRC rate centers that include outpatient services include Clinic Services, Diagnostic, Radiology, Ultrasound, Vascular Nuclear Medicine, Radiology Therapeutic, Electrocardiography, Electroencephalography, Physical and Occupational Therapies, Respiratory Therapy and Pulmonary Function Testing, Labor and Delivery, Interventional Radiology/Cardiovascular, Ambulance Services, Speech Therapy, Audiology, Laboratory Services, CT Scanner, and MRI.

²⁵ MD Code Ann., Health-Gen §19-349.2.

²⁶ MD Code Ann., Health-Gen §19-349.2.

²⁷ MD Code Ann., Health-Gen §19-349.2.

and the hospital must follow-up with a written electronic notice. If the patient makes the appointment electronically or using a website, the written notice shall be provided at the time the appointment is made and sent to the patient electronically. If the patient does not accept electronic communications from the hospital, the hospital must send the notice to the patient by first class mail.

Impact of Facility Fee Notices on Consumers

The extent that a facility fee notice impacts a consumer depends on many factors, including the following:

- Whether the hospital service is subject to the facility fee notice requirement, which determines whether the patient receives a notice;
- Whether the patient has health insurance, the specifics of their insurance plan design, and the extent to which the patient understands how their health insurance works;²⁸
- When the notice is provided to the patient;
- The patient's literacy level compared to the complexity of the notice; and
- Whether the notice is provided in a language the patient understands.

Each of these issues is described below.

Many Consumers Do Not Receive Notices

Because Maryland law only requires facility fee notices for a subset of hospital outpatient services, many consumers that are billed for facility fees do not receive notices. Notices are not required at hospitals that the HSCRC does not regulate. Notices are also not required in HSCRC-regulated hospitals for services outside of clinic visits. The patients who receive hospital outpatient services that are not subject to the facility fee notice requirement do not benefit from the transparency provided by these notices. These patients may be confused by the bills that they

²⁸ This report does not address the indirect impact of facility fees on consumers, such as increased premium costs or the reduction of care locations if payers impose location restrictions because of the higher cost of care “at the hospital.”

receive. They are not informed before their appointments that they may face lower costs at a different location or that they make a complaint to the Health Education and Advocacy Unit.

Impact of Notice on Insured Consumers

Hospitals must provide facility fee notices to all patients, regardless of the patient's source of insurance.^{29,30} The impact of the notice depends on the patient's source of insurance and the structure of their plan. The facility fee notice provides an estimate of the total facility fee that the hospital will charge for the hospital service.³¹ The facility fee notice does not include an estimate of the patient's expected out-of-pocket cost for the service after their insurance pays its share to the full facility charge. Depending on the patient's source of insurance, the patient's out-of-pocket cost may be a small share of the total cost or, in some cases, may be zero.

Medicaid Patients

Patients enrolled in Medicaid face no out-of-pocket costs when a facility fee bill is or could be charged. Facility fee notices serve no positive purpose for these patients, as they are being notified of a charge they do not have to pay. Providing facility fee notices to Medicaid patients may have negative impacts on these patients.

Some hospitals have raised concerns that some Medicaid patients cancel their appointments because the large dollar amount included on the facility fee notice causes "sticker shock." These patients do not understand that this charge will be completely covered by Medicaid. The facility fee notice does not include disclaimer language to inform Medicaid patients that they do not have any financial responsibility for the facility fee.

The facility fee notice tells patients that they may have lower costs if they seek care outside of the hospital, which encourages patients to seek care in a non-hospital setting. Medicaid patients may be more likely to be able to get an appointment in a hospital setting than outside of a hospital. This is because Medicaid generally pays higher rates in a hospital than outside of a hospital. Physicians and other clinicians outside of hospitals may not accept Medicaid patients or may limit

²⁹ MD Code Ann., Health-Gen §19-349.2.

³⁰ MD Code Ann., Health-Gen §19-349.2(a)(3).

³¹ This is the hospital charge set by the HSCRC.

the number of Medicaid patients that they see due to low Medicaid reimbursement. If patients cancel their hospital-based appointments because of the facility fee notice but cannot find care in another setting (or do not seek care in another setting), this may result in delayed care and worse health outcomes for this population.

Other Insured Patients with No Out-of-Pocket Costs

In addition to Medicaid patients (described above), there are other patients whose insurance covers the total facility fee, so the patient has no out-of-pocket costs. Some examples include patients covered by workers compensation and some patients covered by auto insurance. Facility fee notices serve no positive purpose for these patients, as they are being notified of a charge they do not have to pay. Like Medicaid patients, these patients may cancel appointments after receiving a facility fee notice if they do not understand that their insurance will cover the full amount of the charge that is included on the notice. The concerns about access to appointments outside of the hospital that applies to Medicaid patients likely do not apply to patients with insurance from other sources that have no cost sharing.

Insured Patients with Cost Sharing

Many insured patients (including patients with commercial insurance and patients with Medicare) have out-of-pocket costs. The amount that the patient owes on the total hospital charge depends on the patient's deductible, co-payment, and other cost sharing responsibilities under the terms of their insurance contract.³² For some privately insured patients, these costs may be large (e.g., patients with high deductible health plans who have not met their deductible). Medicare beneficiaries are responsible for 20 percent of the outpatient facility fee, which can be significant. Cost-sharing differs for Medicare Advantage plans.

As noted above, the current facility fee notice includes an estimate of the full facility charge before any amount covered by a patient's insurance is applied. The notice includes language that states that the amount that the patient may pay depends on their insurance coverage and recommends that patients contact their insurance carrier to determine their estimated financial responsibility for

³² An insured patient's cost sharing responsibilities may also vary depending on whether the hospital is in the insurer's network. The HSCRC does not regulate the terms of insurance contracts.

the facility fee. Prompting consumers to contact their carrier might also help alert them if their plan does not cover certain services. Understanding the structure of cost-sharing responsibilities under a health insurance plan requires the consumer to have a high level of health literacy. It is a burden on a consumer to follow up with an insurance carrier to get a better cost estimate.

The HSCRC plans to test this notice with consumers to determine how well they understand this language and will include findings from that testing in the 2025 report. The HSCRC does not have data on the number of patients that contact their insurer after receiving the hospital facility fee notice.

Uninsured Patients

Uninsured patients are responsible for the entire amount of the hospital charge unless they are eligible for Medicaid or hospital financial assistance. For these patients, the estimate of the hospital charge on the facility fee notice is likely an accurate estimate of cost that the patient can expect to pay for the hospital service.

Patients who Qualify for Hospital Financial Assistance

Maryland law requires hospitals to provide free or reduced cost care to patients with low income and are uninsured or underinsured.³³ The facility fee notice says that “financial help for your portion of the outpatient facility fee bill may be available.” It does not provide any more detail about hospital financial assistance.

Like Medicaid patients, patients who qualify for hospital financial assistance may cancel their appointments because the large dollar amount included on the facility fee notice causes “sticker shock.” In addition, the facility fee notice tells patients that they may have lower costs if they seek care outside of the hospital, which encourages patients to seek care in a non-hospital setting. Non-hospital settings are not required to provide financial assistance to low-income patients under Maryland law. If patients who would qualify for hospital financial assistance reschedule their appointment in a non-hospital location due to the facility fee notice, they may have higher financial

³³ Hospitals are required to provide free care to patients with family incomes under 200% of the federal poverty level, reduced cost care to patients with family incomes under 300% of the federal poverty level, and reduced cost care to patients with high levels of medical debt and with family incomes under 500% of the federal poverty level. MD. CODE. ANN., Health-Gen. § 19-214.1; COMAR 10.37.10.26.

liability because of the lack of financial assistance in that location. While the facility fee notice does mention that financial help may be available, that may not be enough information for a consumer to make an informed choice about which location is best for them.

Timing of the Notice

Under current law, facility fee notices are provided before the patient receives a health care service. This timing is helpful for achieving the goal of informing a patient that they can seek care in an alternative location. A national qualitative study of regulations and policies related to facility fees found that stakeholders and experts “generally did not believe that these [facility fee] disclosures would drive many consumers to seek care in settings that do not impose facility fees, observing that consumers tend to prioritize their existing provider relationships and seek care where their providers refer them. They did think, however, that disclosures can reduce consumer confusion when they receive a facility fee bill. Some interviewees also suggested that consumer disclosure requirements could generate broader support for reforms by increasing awareness of the extent of facility fee billing.”³⁴

The current scope of the law only requires notices for outpatient services in a hospital clinic. These services are generally scheduled ahead of time. The stakeholder workgroup discussed whether a notice should be provided after the hospital service (for example, in the “after visit” summary) for services that are not scheduled ahead of time. If the General Assembly decides to expand the scope of services covered by the notice requirement. Notices provided after the service would help reduce consumer confusion about the facility fee when they receive their bill.

The HSCRC will be engaging a consultant to test the effectiveness of the current facility fee notices with Maryland consumers. The results of this study will be included in the 2025 report.

Literacy Level, Language Access, and Accessibility

As noted above, the effectiveness of the notice depends on whether the consumer can understand the notice. The notice in current law is likely difficult for some consumers to read—it is over one page in length (approximately 600 words) and written at a reading level that is too high

³⁴ Monahan, C., Davenport, K., Swindle, R., and Picher, C., “Regulating Outpatient Facility Fees: States Are Leading the Way to Protect Consumers”, July 2023.
<https://georgetown.app.box.com/v/statefacilityfeeissuebrief>

for many consumers. Using free readability tools available online, the text of the notice appears to be between an 11th grade and a college graduate reading level.³⁵ “The American Medical Association (AMA) and National Institutes of Health (NIH) recommend that patient materials be written at the sixth and eighth grade reading level, respectively.”³⁶

Hospitals are required to provide the notice in other languages for patients who do not speak English and in other formats for patients who need a different format (e.g., braille) to understand the notice.³⁷

Facility Fees Notices and Hospitals

Facility fees are designed to cover hospital costs, as detailed in the section “Hospital Costs Covered by Outpatient Facility Fees” above. Hospitals report that the legal requirement to provide facility fee notices to patients has increased their administrative costs and caused some patients to cancel appointments.

Facility Fees, Facility Fee Notices, and Insurers

The total cost of hospital outpatient services (the total of the facility fee and the professional fee) is generally higher than the cost of outpatient services in non-hospital settings. Excluding the amounts paid out-of-pocket by patients, these higher costs are paid by insurers. For commercial insurance, these costs are ultimately borne by employers, their employees, and people buying individual insurance. For Medicaid and Medicare, these costs are borne by taxpayers.

The HSCRC sets the amount of facility fees (i.e., hospital charges) for HSCRC-regulated services (discussed in the “The Regulation of Facility Fee Notices in Maryland” section above). For hospital outpatient services that the HSCRC does not rate regulate:

³⁵ <https://readabilityformulas.com/readability-scoring-system.php>; <https://app.readable.com/text/>

³⁶ Ronney, M.K., Santiago, G., Perni, S., Horowitz, D.P., Einstein, A.J., Jagsi, R., and Golden, D.W. *Readability of Patient Education Materials from High-Impact Medical Journals: A 20-Year Analysis*, Journal of Patient Experience, March 3, 2021, 8:2374373521998847, doi: 10.1177/2374373521998847, <https://pmc.ncbi.nlm.nih.gov/articles/PMC8205335/>; Weis, B.D., Health Literacy: a Manual for Clinicians, American Medical Association Foundation and American Medical Association; 2003. National Institute of Health, <http://lib.ncfh.org/pdfs/6617.pdf>

³⁷ MD Code Ann., Health-Gen §19-349.2.

1. Medicare rates are set by the federal Centers for Medicare & Medicaid Services.
2. Medicaid rates are regulated by the Maryland Department of Health.
3. Rates paid by commercial insurers are negotiated between the insurer and the hospital.

If the facility fee notices were effective at causing patients to change the location where they seek care, then these notices could lower insurer costs. National experts think that facility fee notices cause relatively few patients to change their site of care or cancel appointments.³⁸ If this is accurate, facility fee notices have relatively little impact on insurers.

Insurers can limit their exposure to facility fees by limiting coverage or increasing cost sharing for outpatient services in a hospital that are also available in lower cost settings. Some insurers already have these policies, which are likely more effective at lowering costs than facility fee notices to consumers.³⁹

Facility Fee Notice Regulation in Other States

Facility fee notice regulations differ widely across the United States. Ten states require that notices of facility fees are provided directly to patients.⁴⁰ Nine states require notice of facility fees through signs in the health care facility, hospital websites, or similar forms of public notice.⁴¹ Seven states, including Maryland, have both requirements.

For states with direct-to-consumer notice requirements, the timing and specifics of the notice differ. Some states require notices to be provided at the time of scheduling, before care, during care, within billing statements, when a facility is newly acquired or affiliated, or upon request. Often, a state may require notices to be provided in multiple formats and circumstances to reduce the odds that a consumer is caught unaware, such as facility signage and both oral and written

³⁸ C. Monahan, K. Davenport, R. Swindle, and C. Picher, "Regulating Outpatient Facility Fees: States Are Leading the Way to Protect Consumers", July 2023.

<https://georgetown.app.box.com/v/statefacilityfeeissuebrief>

³⁹ Georgetown University Center on Health Insurance Reforms (2023). *Facility Fees 101: What is all the Fuss About?*. Available at: <https://chirblog.org/facility-fees-101-what-is-all-the-fuss-about/>.

⁴⁰ Colorado, Connecticut, Florida, Maryland, Massachusetts, Minnesota, New York, Rhode Island, Texas, and Washington. <https://facilityfeereform.chir.georgetown.edu/>.

⁴¹ Colorado, Connecticut, Florida, Louisiana, Massachusetts, Maine, Minnesota, Texas, and Washington. <https://facilityfeereform.chir.georgetown.edu/>.

notices before care is provided. Massachusetts has different requirements for when notices are provided, depending on whether the provider is in-network or out-of-network

Direct-to-consumer notices typically inform patients of the potential for a facility fee. Some states require additional details, such as an estimate of the charges, the purpose of the fee, and comparisons of cost at other locations. Some states include more educational information about when facility fees can be charged.

Several states impose limitations and conditions on when facility fee notices are required. For example, Florida limits notices to non-emergency services, while Rhode Island's requirements only apply to consumers who are uninsured or have high deductibles. Texas and Washington restrict their regulations to freestanding EDs and hospital-owned off-campus clinics. A few states mandate that hospitals file a copy of their facility fee notice with a state agency. In some states, hospitals are prohibited from charging a facility fee unless the required notice has been provided.

Recommendation to Expand Facility Fee Notice Requirement

Recommendation 1: Do not Require Notices for Medicaid and Other Beneficiaries with No Cost Sharing

The HSCRC recommends that outpatient facility fee notices should not be required for Medicaid patients. In addition, hospitals should be allowed not to provide a notice to other patients with no cost sharing, such as those covered by workers compensation. If the patient has unexpected cost sharing and the notice was not provided, the hospital should be prohibited from billing the patient. Some hospitals have interpreted current law to allow for this policy outcome, but others would prefer more clarity in the law.

Recommendation 2: Expand the Facility Fee Notice Requirement for Patients with Out-of-Pocket Cost Sharing

There was agreement among most stakeholders that requiring facility fee notices only for the HSCRC's regulated clinic rate center was not achieving the goals of educating consumers about facility fees and promoting transparency and consumer choice. This is because services provided

in HSCRC-regulated clinic rate centers are a subset of outpatient hospital services provided in the State. The HSCRC recommends requiring all non-profit and for-profit hospitals providing outpatient services in the State, whether or not the hospital's rate is regulated by the HSCRC, to provide notice of facility fees for outpatient services that are:

- Provided in the State of Maryland; and
- Have both a hospital charge (facility fee) and a professional charge.

This expansion would be a significant operational and administrative burden to hospitals because it would greatly expand the outpatient services for which notice is required.

Some stakeholders would prefer a broader expansion to cover all outpatient hospital services with a facility fee regardless of whether or not that service has an associated professional charge. The HSCRC will continue to study this issue in 2025.

Recommendation 3: Exclude a Limited Set of Outpatient Services from the Expanded Facility Fee Notice Requirement

If the General Assembly decides to expand the facility fee notice requirement under Recommendation 2, then the HSCRC recommends that the following services be excluded from the facility fee notice requirement:

1. Inpatient services, which are excluded under current law.
2. ED services, which are excluded under current law.
3. Unscheduled services related to an emergent condition,⁴² including emergency services that bypass the ED.
4. Laboratory services, including pathology.
5. Professional fees.

⁴² Legislators could use the definition of emergent condition found in Medicaid's regulations ([COMAR 10.09.9201](#)).

The exclusions of inpatient and ED services in current law are due to the lack of availability of these services in non-hospital settings. Consumers do not have a choice of where to get these services.

Unscheduled emergent services describe the following situations:

1. Additional services provided as a part of an ED visit such as imaging, and
2. Instances where a patient is sent to a hospital in an emergency by another provider (e.g., their primary care provider or non-hospital specialist) and the provider has arranged for them to either be directly admitted to the hospital or seen by a hospital provider, bypassing the ED. This was intended to capture the small number of patients arriving at the hospital due to an emergency who are not going through the ED.

The HSCRC believes these situations should be treated the same as ED services.

Laboratory services are recommended to be excluded for several reasons. First, many labs are ordered concurrently with other services. Consumers will have received a facility fee notice for services that are concurrent to the laboratory service. Some lab services are not planned when the outpatient appointment is scheduled but are provided during the outpatient appointment. Examples include a biopsy done in an appointment for a standard skin cancer check or the unanticipated collection of tissue for wound care. Providing an additional notice for the lab service before it is provided to the patient would create a disruption in delivery of treatment in that appointment, burdening clinical providers who have limited time with patients.

In addition, lab and pathology are high-volume services, which would add to the costs and operational challenges of implementing the facility fee notice expansion. The HSCRC recognizes that expanding services covered by the facility fee notice requirement under Recommendation 2 will be burdensome for HSCRC-regulated hospitals and even more burdensome for unregulated hospitals that do not provide notices at this time. This recommendation balances the goals of providing facility fee notices with goals related to lowering health care administrative costs.

Professional fees should be excluded from facility fee notice requirements since professional fees are, definitionally, not facility fees. While stakeholders generally agreed on excluding professional

fees from the facility fee notice requirement, there was disagreement on the other items listed for exclusion from the facility fee notice requirements in this recommendation.

Some stakeholders would prefer a requirement that hospitals provide facility fee notices for more services to provide more consumer transparency. If the General Assembly decided to require notices for inpatient, ED, or unscheduled emergent services, it would be important to consider when notices are provided to patients and the content of the notices. Under current law, notices must be provided at the time a patient schedules an appointment. Stakeholders that support notices for ED and unscheduled emergent services acknowledge that it may not be possible to provide notice in an emergency. However, they note that many patients spend significant time in the ED waiting room, and notice could be provided while they are waiting. For those patients where notice is not possible before the service is provided, stakeholders suggest that the notice be provided at the time of hospital discharge or at the end of the visit. This would ensure that the patient is educated about facility fees before they leave the hospital. The language of the current notice, which is drafted only for non-emergency outpatient services, would need to be edited if it applied to inpatient, ED, or emergent services. For emergency services, any revised language must comply with EMTALA.

Other stakeholders would prefer to exclude a longer list of services from the facility fee notice requirement. For example, outpatient surgeries were identified as a potential exclusion. The HSCRC felt that outpatient surgeries conducted due to emergent conditions were adequately covered by the unscheduled emergent conditions exclusion. Consumers could benefit from a notice of facility fees before scheduled outpatient surgeries, particularly those surgeries that could be safely conducted in another setting (such as an ambulatory surgery center).

Recommendation 4: Delay the Expanded Facility Fee Notice Requirement until Further Study of the Effectiveness of the Notice is Completed

The HSCRC recommends that the General Assembly delay expansion of notice requirements until 2026 to allow for the completion of the HSCRC's evaluation of the effectiveness of the current notices and adoption of any resulting recommendations by the General Assembly in the 2026 legislative session.

Workgroup members had differing opinions regarding when the expanding facility fee notice requirement should go into effect. Stakeholders representing payers and consumers advocated for implementation of these notices in 2025 (i.e., within nine months of a bill that expands the notice passing, if a bill is introduced in 2025). These stakeholders acknowledge that hospitals need time to implement notices for new services, but they also feel that there should not be a significant delay in informing consumers who may face unexpected bills.

Hospitals argued for a longer implementation period. Implementing an expanded notice requirement is a significant operational and administrative lift: hospitals that already provide facility fee notices for clinic services will need to provide them to a broader set of patients, while some hospitals will need to implement them for the first time. Hospitals will need to make changes to their IT systems and provide training for frontline staff. These tasks take time. When notices were originally required in 2020, the effective date was delayed until July 1, 2021, giving hospitals more than a year to prepare. Hospitals argued that a year is a reasonable timeline for implementing any expanded facility fee notice requirements.

In addition, hospitals noted that the HSCRC is conducting a study of the effectiveness of the facility fee notices in 2025, which may lead to changes in the process for the distribution of notices and the text of the notices (see Appendix C for the text of the notice). Hospitals are concerned that they may need to make changes to their operational and administrative process to accommodate those changes. Hospitals would prefer to make IT and operational changes once rather than having to implement expansion of the existing notices in 2025 and implement changes to those notices in a future year.

In addition, hospitals requested that the HSCRC review the notice requirements in the federal No Surprises Act and study whether the facility fee notices required in Maryland law can be better aligned with this federal requirement and other notices provided to patients under State law. The HSCRC plans to conduct this analysis in 2025.

Recommendation 5: Clarify that Notices Can Be Provided Monthly for Patients with Recurring Appointments

The HSCRC recommends that if a patient has a recurring appointment for substantially the same service (e.g., chemotherapy) with substantially the same cost, then the facility notice may be provided on a monthly basis rather than for each appointment. Workgroup members generally achieved consensus on this recommendation.

Recommendation 6: Change the Definition of Professional Fees

The HSCRC recommends that the definition of “outpatient facility fee” be changed to align with standard use of both the term “facility fee” and “professional fee” by insurers, hospitals, and health policy professionals. Current law distinguishes between outpatient facility fees and “a physician fee billed for professional services provided at the hospital.” The HSCRC believes this definition was intended to describe a “professional fee.” In addition, current law includes “the service of a non-physician clinician” in the definition of a facility fee. This is not an accurate description of either professional fees or facility fees. Physicians are not the only providers that bill professional fees, and the current legal language does not reflect this. For example, nurse practitioners bill professional fees. The General Assembly could refer to statutes from other states that regulate facility fees for examples of a revision of this definition.

Update on Facility Fee Study Due in 2025

As described in the introduction of this report, this document serves as an interim report on a broader study that is due in 2025. Staff have made the following progress on the 2025 study:

- Established a stakeholder workgroup and scheduled workgroup meetings through the end of 2025;
- Conducted procurement activities, including the following:
 - Entering an interagency agreement with The Hilltop Institute to support workgroup meetings and report drafting; and
 - Posting a request for proposals for assistance with data analytics related to facility fees (contractor bids were due on December 19, 2024); and

- Began literature reviews and identifying data sources for the other required components of the study.

HSCRC included information from some of this research in this report.

Appendix A: Workgroup and Stakeholder Engagement

Maryland law requires that, throughout the study on facility fees, the HSCRC must consult with the Maryland Department of Health, the Maryland Insurance Administration, the Health Education and Advocacy Unit within the Office of the Attorney General, and representatives of hospitals (including out-of-state hospitals providing services to patients who are staying in facilities in the state), physician practices that provide services in hospital outpatient settings, health care payers, consumer advocacy groups, and employer groups. The HSCRC convened a workgroup that includes these stakeholders to provide advice to the HSCRC on policies related to facility fee notices and facility fees themselves.

The Workgroup is charged with considering the following principles in its work:

- Providing effective notice to patients on cost exposure & protecting consumers from high facility fee bills
- Maintaining access to health care services & minimizing deferral of necessary care by consumers
- Addressing health equity concerns
- Considering the impact of policy changes on consumers, hospitals, and payers

The Facility Fee workgroup met three times in 2024. These meetings were focused on facility fee notice requirements. HSCRC staff solicited comments from workgroup members and the public during each meeting and allowed for a written comment period after each meeting. HSCRC staff also solicited oral and written comments from workgroup members on the report draft.

The workgroup is scheduled to have six meetings in 2025. In 2025, the workgroup will provide advice to the HSCRC on a broad study of facility fees and facility fee regulation, both in Maryland and in other states. All workgroup meetings are open to the public. Information about workgroup meetings is available on the HSCRC's website.⁴³

⁴³ <https://hscrc.maryland.gov/Pages/facility-fee-workgroup.aspx>

Appendix B: “At the Hospital” Determinations

The HSCRC’s authorizing statute only allows the HSCRC to regulate rates for outpatient services that are “at the hospital.”⁴⁴ Under the HSCRC’s regulations, an outpatient hospital service provided on the campus of a hospital or freestanding medical facility is presumed to be “at the hospital,” and thus subject to the HSCRC rate regulation.⁴⁵

Hospitals are required to request a determination from the HSCRC of whether an outpatient service is subject to the HSCRC rate regulation at the following times:

- Before opening a new outpatient service,
- Before relocating an existing outpatient service, and
- Before converting an existing outpatient service from regulated or unregulated status to the opposite status.

Upon receipt of a request for a determination, HSCRC staff must review the information presented, consult with appropriate parties, visit the site of the services if necessary, and notify the hospital of its determination.

The HSCRC’s regulations list criteria that staff must consider in making the determination of whether or not the outpatient service is subject to “at the hospital” status (and thus subject to HSCRC rate regulation) or if the HSCRC should make an exception to the presumption that services provided on the hospital campus are subject to rate regulation.⁴⁶ Under current regulations, HSCRC staff may consider the following criteria when determining whether an outpatient service is provided “at the hospital” and thus subject to rate regulation:

- Location of entrances
- Location and signage of parking

⁴⁴ MD Code Ann., Health-Gen Art. §19–211; §19–201.

⁴⁵ COMAR 10.37.10.07-1

⁴⁶ COMAR 10.37.10.07-1(G.)

- Location and language of signage at entrances, within buildings, on the campus, and in the parking areas effectively alerting the public that a given building or service is either at the hospital or not at the hospital;
- Location of registration, changing, and waiting areas
- Whether billing reflects clearly that the service is rate-regulated or not rate-regulated
- Whether any physical connection from an unregulated facility to the hospital, such as tunnels, hallways, covered walkways, elevators, or connecting bridges, will be restricted to hospital staff and physician use in order to ensure that patients and visitors do not have access to the unregulated facility from the hospital
- Whether there is any duplication of an unregulated service within the hospital in order to avoid inappropriate patient steering
- Whether there is any inappropriate mixing of regulated and unregulated services in the same building, which would tend to have the effect of confusing patients about the regulated or unregulated status of a given service being provided
- Whether any Medicare Part B physician services being provided in an unregulated building also includes components of a Medicare Part A hospital service that would be reasonably expected by a patient to fall under Commission rate-setting jurisdiction.

In addition, HSCRC staff may use other criteria that they deem appropriate in individual cases.

Appendix C: Text of Facility Fee Notice

IMPORTANT FINANCIAL INFORMATION

(Patient Name) _____ Appointment Date: _____

Notice Of Hospital Outpatient Facility Fee And Billing Disclosure

a. Your appointment with (provider, practice, or outpatient facility name) will take place in an outpatient department of (hospital name). b. (Hospital name) will charge an outpatient facility fee that is separate from and in addition to the bill you will receive from (provider). c. You will receive two charges for your visit: 1. a provider services bill from (provider); and 2. a hospital facility bill from (hospital name).

Expected Fee

(if known) The amount of the facility fee that will be charged by (hospital name) for your appointment is \$ _____. or

(if unknown) (Hospital name's) facility fee is likely to range from \$ _____ to \$ _____. AND

(if unknown) Based on appointments like the one you are scheduled for, we estimate the facility fee to be \$ _____. AND

(if unknown) We are providing you with a range of fees and an estimate because the actual amount of the facility fee will depend on the hospital services that are actually provided. The fee could be higher if you require services during your appointment that we cannot reasonably predict today.

Financial help for your portion of the outpatient facility fee bill may be available. If you need financial help with the outpatient facility bill, please contact (hospital financial assistance office, with telephone number and direct website address).

Receiving services here may result in greater financial liability than receiving services at a location where a facility fee may not be charged.

(if applicable) No Facility Fee Location

You can see (provider) at another location that does not charge a facility fee.

(address and contact information)

Contact your insurance carrier to see if (provider) is a participating provider and in-network at the (address of alternative location) location.

Insurance Information

(1) The amount of the facility fee that you will be responsible for paying will depend on your insurance coverage.(2) Insurance companies could impose deductibles or higher copayment or coinsurance amounts for services provided in hospital outpatient departments.(3) If you have insurance, you should contact your carrier to determine your insurance coverage and your estimated financial responsibility for the facility fee, including copayments, coinsurance, and deductible amounts for the outpatient facility fee.

Facility Fee Complaints

If you have a complaint about an outpatient facility fee charge, please first contact the hospital, (hospital billing office contact information).

If the complaint is unresolved, you may then file the complaint with the Health Services Cost Review Commission, (contact information).

If you need additional information regarding your facility fee charges or if you need assistance mediating a facility fee complaint against a hospital, contact the Health Education and Advocacy Unit of the Office of the Attorney General, 1-877-261-8807 | Heau@oag.state.md.us | www.MarylandCares.org.

Acknowledgment

(1) I understand that I will be billed a hospital facility fee and a provider fee.(2) (Hospital name) provided me with information on the facility fees that will be billed for my appointment.(3) I understand that the fee could vary based on conditions and services provided to me that the hospital cannot reasonably predict today.(4) I understand that my out-of-pocket costs will depend on my insurance coverage.

_____ (initial here) - by initialing here, I confirm that I received the facility fee information at the time I made my appointment with (provider).

By signing this form, I acknowledge that I have received this information before receiving services today.

Signature

Date

To request this notice in an alternative format, please call (contact information) or e-mail (contact information).

(Same sentence in Spanish).