

Facility Fee Policy in Connecticut

Presented to: OR Senate Committee on Health Care
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CT Office of Health Strategy

- Responsible for developing health care strategy for the state
 - Including a coordinated strategy to reduce health care costs
- Programs include
 - Healthcare Benchmarking Initiative
 - Cost Growth Benchmarks
 - Primary Care Spending Target
 - Quality Benchmarks
 - Certificate of Need/Market oversight
 - Health Information Technology
 - Research and Reporting

What is a Facility Fee?

- ❖ A facility fee is any fee charged or billed by a hospital or hospital health system for outpatient hospital services provided in a hospital-based facility that is
 - ❖ Intended to compensate the hospital or hospital health system for the operational expenses of the hospital or hospital health system; and
 - ❖ Separate and distinct from a professional fee.

(A hospital-based facility means a facility that is owned or operated, in whole or in part, by a hospital or hospital health system where hospital or professional medical services are provided)

- As hospitals have acquired practices and facilities that are not physically located on a hospital campus, some have added “facility fees” to off-campus facilities, raising costs to consumers and employers.
- CT has passed legislation that limits where and for what services facility fees can be charged.

CT Facility Fee Filing Mandate Intent

- ❖ To analyze and monitor trends on hospital/hospital health system facility fees for Medicare, Medicaid, private insurers and other payers
- ❖ To restrict facility fee charging for outpatient routine office visits
- ❖ To provide transparency

Facility Fee Transparency

In its entirety, the mandate also requires hospital-based off-campus outpatient facilities to:

- ❖ Give existing patients written notice that they may be charged a facility fee
- ❖ Identify the fee as a facility fee in addition to, or separately from, any professional fee
- ❖ Provide a general notice to patients through:
 - ❖ Prominently displayed written notices that the facility may charge a facility fee; and
 - ❖ Clearly displayed signage, marketing, website, etc., that the facility is hospital-based

Legislative Facility Fee Data Reporting Mandate (old)

- ❖ C.G.S. §19a-508c(m)(1) requires hospitals/hospital health systems to report certain information on facility fees charged or billed for outpatient services provided at hospital-based off-campus locations to OHS, annually.

Facility Fee Changes Telehealth-Public Act 22-81 (update)

- ❖ No facility fee charges for telehealth.
 - ❖ no telehealth provider or hospital shall charge a facility fee for telehealth services
 - ❖ ruling applies to services whether provided on campus or otherwise; and
 - ❖ effective date May 10, 2021, and ending on June 30, 2024

Facility Fees Legislation

Prohibition on charging facility fees for:

- Outpatient routine office visits, i.e., evaluation & management (E&M) and assessment & management (A&M) services rendered off-campus
- Tele-health services (May 10, 2021 – June 30, 2024)
- Evaluation & management (E&M) and assessment & management (A&M) services on and off main campus with exceptions:
 - for emergency department (ED) and hospital campus observation stays for wound care, orthopedics, anticoagulation, obstetrics, and solid organ transplant services.

Legislative Facility Fee Data Reporting Mandate (new in '23)

- ❖ C.G.S. §19a-508c(m)(1) requires hospitals/hospital health systems to report certain information on facility fees charged or billed for outpatient services provided at hospital-based on and off-campus locations to OHS, annually.
- ❖ Public Act No. 23-171 §9 requires each hospital and hospital health system to report activity for calendar year 2022, not later than October 1, 2023, and thereafter, not later than July 1st each year.

Public Act No. 23-171 §9 additional changes

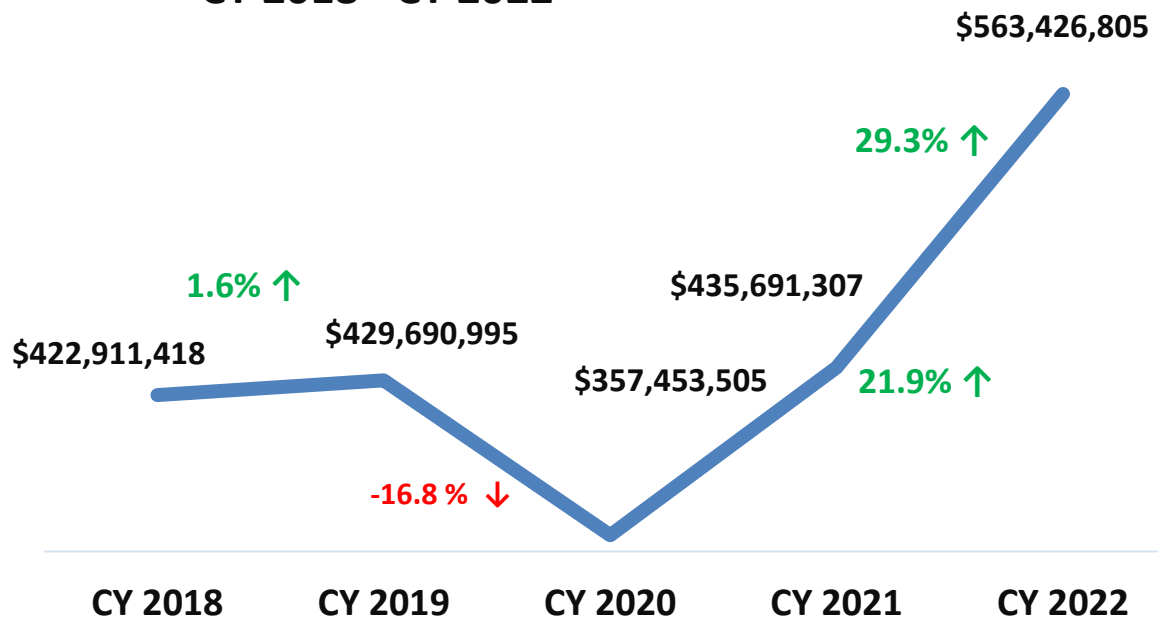
- ❖ Requires hospitals/hospital health systems to provide data on which facility fee was charged or billed and indicate whether each facility is located “on-campus” or “off-campus.”
- ❖ Extends facility fee prohibition to certain services on a hospital campus
 - ❖ From July 1, 2024, unless a contract is already in place, any hospital or hospital health system may not collect a facility fee on certain outpatient health care services (evaluation & management and assessment & management CPT codes) that are provided on a hospital campus.
 - ❖ Exclusions include services provided at an emergency department (ED) or freestanding ED; observation stays occurring on a hospital campus; wound care, orthopedics, anticoagulation, obstetrics, and solid organ transplant services.

Facility Fee Reporting

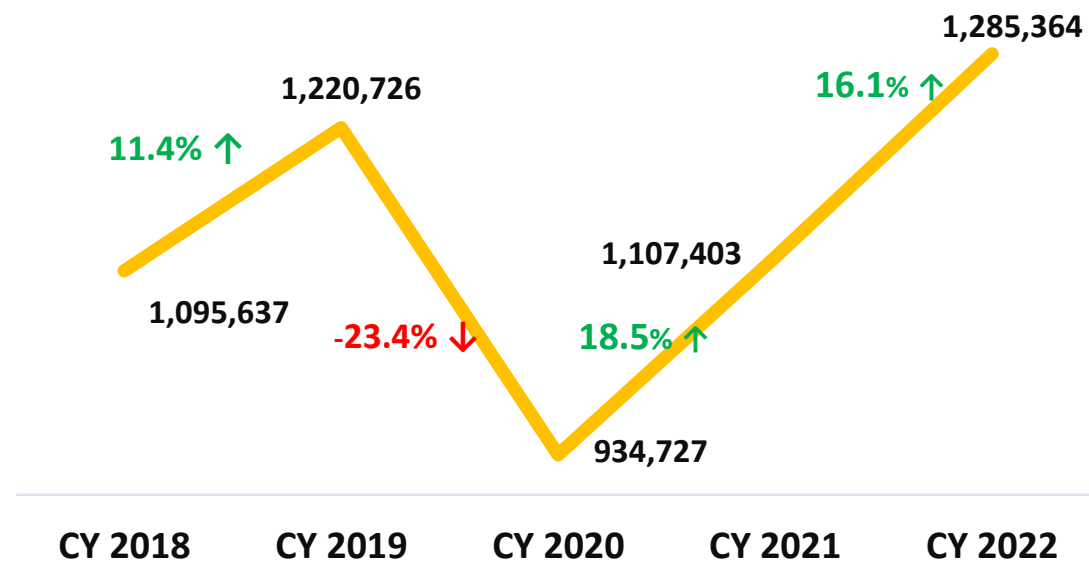
- ❖ Hospitals and hospital health systems must file facility fee data to OHS for outpatient facilities services that bill a professional fee and a facility fee.
- ❖ To be included in the filing:
 - ❖ Completed and signed Facility Fee Billing Affidavit;
 - ❖ Facility Fee Notification Affidavit (if applicable);
 - ❖ Written notice, with tag lines by October 2, 2023;
 - ❖ Sample of a billing statement by October 15, 2023;
- ❖ Hospitals and hospital health systems that do not charge both a professional and facility fee for any outpatient services still need to submit a billing affidavit with OHS.

Facility Fee Trends

Facility Fees Total Net Revenue (\$):
CY 2018 - CY 2022



Facility Fees Patient Visits: CY 2018 - CY 2022



Source: CT OHS Facility Fee Reporting

<https://portal.ct.gov/ohs/health-systems-planning/notifications/facility-fees>

Questions

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For more information on facility fees visit

<https://portal.ct.gov/OHS/Health-Systems-Planning/Notifications/Facility-Fees>

To know more about OHS visit

<https://portal.ct.gov/OHS>