

March 13th, 2025

RE: Senate Committee on Health Care Hearing on SB 539

Dear Chair Patterson and Members of the Committee,

Thank you for the opportunity to provide testimony in support of SB 539, which protects Oregonians from surprise hospital facility fees.

My name is Tony Germann. I am a rural family doctor and clinic medical director practicing in the Willamette valley. I serve as a member and Vice-Chair of the Oregon Health Policy Board. My comments today represent my personal beliefs but are supported by the insight I have working in these settings.

Imagine walking into a grocery store and buying a gallon of milk. Except, you are not revealed the price of that milk on the day you purchase it. But you go on good faith your local grocery store is comparable to the market. The disclosure of that price is not that day, week or perhaps not even that month. Later, which can be ill-defined, you come to find that routine gallon of milk has an additional fee tacked on. This is how we bill healthcare and it produces a very important concern for everyday Oregonians: **Facility fees**.

Now let's say you need to see your primary care provider. Maybe you need a chest x ray. Maybe you need a basic skin biopsy. Maybe you are due for a preventative colon cancer screening or pap smear testing for cervical cancer. All of these can be performed and billed in traditional settings at a much lower cost to the patient and system. However, now due to perverse incentives, additional charges can be billed to patients if that care, which again can be provided in a setting that does charge these fees, is delivered with a new label outside the door.

SB539 protects Oregonians with a push for transparency in billing. It prevents consolidation of facilities as it will remove the incentive for hospitals to buy up practices to gain increased reimbursement that is unnecessary. It protects primary care clinics. It protects independent practice.

Facility fees are extra charges for receiving services at hospital-owned facilities - including doctor's offices and clinics off the hospital's main property. These fees regularly exceed the cost of the care provided and often are not completely covered by insurance, turning simple, inexpensive procedures into major - and unexpected - financial setbacks for Oregon families. Oregon currently has no limits or standardization for how much a patient can be charged for a facility fee, meaning these unexpected fees can range between \$15 to even more \$1,500. A Portland resident with a chronic condition [recently experienced this sticker shock first hand](#), when her rheumatologist's office started charging her a \$99 facility fee on top of the \$40 copay she normally pays for a visit. Hospitals also make it difficult to understand why or when these fees are billed, making it next to impossible for Oregonians to predict or plan for these surprise health care costs.

Right now, Oregon families are forced to make hard choices between paying for medical care or other basic needs. In 2024, more than [three in four](#) Oregonians had a hard time affording healthcare services because of cost, leading them to delay or go without care completely. Unsurprisingly, Black, Hispanic, low-income communities, and women are the hardest hit. Additionally, [nearly half](#) of adults in Oregon say they would struggle to pay a \$1,500 medical bill.

Oregonians overwhelmingly support fairer and more transparent hospital billing. [Nearly all](#) voters – including 93% of Democrats and 90% of Republicans – believe hospitals should provide up-front cost estimates to consumers. [Three in four](#) voters support legislative action to ban hospitals and clinics from charging these hidden facility fees.

I urge the committee to support SB 539 in order to protect people from hidden facility fees, putting Oregonians above hospital system profits. Thank you for your consideration.

Sincerely,

Tony Germann, MD MPH FAAFP
Clinical Medical Director – Salud and Pacific Pediatrics Clinics- YVFWC
Fellowship Director- Salud Rural Maternal Child Health Fellowship
Oregon Health Policy Board- Vice-Chair and member