

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 803  
Finance

(Senator Kelley, *et al.*)

---

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

---

This bill requires a hospital that charges an outpatient facility fee to provide a patient with a written notice containing specified information. The required notice must be in plain language that may be reasonably understood by a patient who does not possess special knowledge regarding medical billing or hospital facility fee charges. A hospital may not charge, bill, or attempt to collect an outpatient facility fee, and an outpatient facility fee charge may not qualify as uncompensated care or bad debt, unless the patient was given a notice in accordance with the bill's requirements.

---

Fiscal Summary

**State Effect:** The bill is not anticipated to materially affect State finances or operations.

**Local Effect:** The bill is not anticipated to materially affect local government finances or operations.

**Small Business Effect:** None.

---

Analysis

**Bill Summary:** “Electronically” means a secure digital or electronic transmission in compliance with federal and State law, including by (1) patient Internet portal; (2) encrypted electronic mail; or (3) text message with a link to an encrypted notice.

“Outpatient facility fee” means a rate approved by the Health Services Cost Review Commission charged by a hospital for outpatient services provided in a building on the

campus of a hospital in which hospital services are provided that is separate and distinct from a fee for professional services.

“Patient” means (1) an adult; (2) a person authorized to consent to health care for an adult consistent with any authority granted; (3) a minor, if the minor seeks treatment to which the minor has the right to consent and has consented; (4) a parent, guardian, custodian, or representative of the minor; or (5) a person authorized to consent to health care for the minor consistent with any authority granted.

#### *Required Contents of Notice*

The written notice required under the bill must include information:

- that the patient’s appointment will take place at the hospital;
- that the hospital will charge an outpatient facility fee that is separate from the professional fee charged by the provider because the appointment is at the hospital;
- that the same professional medical services could be obtained from the provider at a location that is not at the hospital;
- that receiving the professional medical services at the hospital may result in greater financial liability than receiving the professional medical services at a location not at the hospital; and
- the amount of the outpatient facility fee, if known, otherwise the range of outpatient facility fees the hospital may charge for the appointment.

#### *Required Form and Timing of Notice and Acknowledgement of Receipt*

When an appointment is made in person or by telephone, *oral* notice must be given at the time the appointment is made. When an appointment is made electronically or using a website, *written* notice must be provided at that time. Regardless of how the appointment is made, written notice also must be sent to the patient *electronically* at the time the appointment is made. However, if a patient refuses electronic communication, written notice must instead be sent to the patient by first-class mail.

Before professional medical services are provided on the date of the appointment, the patient must acknowledge in writing that the notice required under the bill was provided at the time the appointment was made.

**Current Law/Background:** Statute does not require a hospital that charges an outpatient facility fee to provide a patient with a written notice. Generally, a hospital must provide oral and written notice to a patient of the patient's outpatient status, the billing implications of the outpatient status, and the impact of the outpatient status on the patient's eligibility for Medicare rehabilitation services if (1) the patient receives on-site services from the hospital for more than 23 consecutive hours; (2) the on-site services received by the patient include a hospital bed and meals that have been provided in an area of the hospital other than the emergency room; and (3) the patient is classified as an outpatient at the hospital for observation rather than an admitted inpatient.

Additionally, on request of a patient made before or during treatment, a hospital must provide a written estimate of the total charges for the hospital services, procedures, and supplies that reasonably are expected to be provided and billed to the patient by the hospital. The written estimate must state clearly that it is only an estimate and actual charges could vary. A hospital may restrict the availability of a written estimate to normal business office hours.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 849 (Delegates R. Lewis and Pena-Melnyk) - Health and Government Operations.

**Information Source(s):** Maryland Department of Health; Department of Legislative Services

**Fiscal Note History:** First Reader - February 26, 2019  
mm/jc

---

Analysis by: Nathan W. McCurdy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510