

SB 539 -1, -2 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Daniel Dietz, LPRO Analyst

Meeting Dates: 3/13, 4/3

WHAT THE MEASURE DOES:

The measure restricts hospitals and health systems from applying facility fees unless on the hospital campus and with notice to the patient.

DETAILED SUMMARY:

Restrictions on Facility Fees

- Defines “facility fees” and “campus.”
- Restricts facility fees except at a facility located on a hospital campus, or at a facility that includes an emergency department.
- Exempts fees covered by contract with an insurer on the effective date of the act.
- Classifies violations of this restriction as unlawful collection practices.

Notice Requirements

- Requires, when a fee is charged, that the patient is notified of any fee at the time of the visit, or when emergency services are provided, in writing as soon as practicable.
- Requires that notice include, in plain language, an explanation of the fee and the amount of the person’s potential financial liability and notice of the right to request a reduction.
- Requires that billing statements clearly itemize fees.

Facility Fee Reporting

- Requires hospitals to report annually to the Oregon Health Authority on facility fees charged or billed for each facility.
- Requires, for each facility, the number of patient visits, the total amount of fees by payer, and the total amount received by the hospital or health system.
- Requires a description of the 10 services that produced the greatest amount of revenue from fees.

Fiscal impact: Minimal fiscal impact

Revenue impact: No revenue impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Defines "health system" for purposes of the measure.

-2

- Removes restrictions on fees and on enforcement mechanisms.
- Requires reporting: on the number of facilities charging facility fees, the number of patient visits with facility fees, revenue from facility fees, and the range of allowable fees paid by payers.
- Defines "health system" (not including certain facilities such as labs, X-ray facilities, testing facilities, etc.).

BACKGROUND:

Facility fees are fees imposed by hospitals and health systems on emergency, inpatient, and outpatient services to cover operating or administrative expenses ([National Conference on State Legislatures](#)). Some states restrict use of facility fees (Connecticut, Maine, Indiana) while others require reporting (Connecticut, Washington) and/or

SB 539 -1, -2 STAFF MEASURE SUMMARY

notice to patients (Colorado, Connecticut, Maryland, Minnesota, New York, Washington) (Georgetown Center on Health Insurance Reform, [presentation](#) to Senate Health Care on May 29, 2024).

Senate Bill 539 restricts facility fees except when specified conditions are met and requires hospitals and health systems to report on fee collection, including revenues, to the Oregon Health Authority.

PRELIMINARY