



March 13, 2025

To: Senate Committee on Health Care

Fr: Matt Swanson, SEIU Oregon State Council

Re: Support for SB 539

Chair Patterson and Members of the Committee,

On Behalf of the the Service Employees International Union (SEIU), which represents over 85,000 hardworking Oregonians, including many frontline healthcare workers. We support the passage of Senate Bill 539, which would require Oregon health systems to disclose facility fee information for outpatient clinics and impose reasonable limitations on these fees.

Facility fees are one of the most common sources of charges above the cost of care. These fees are allowed by law and intended to cover the overhead costs of a hospital's facilities and equipment. While facility fees may be reasonable for services provided within a hospital setting, big hospital systems are buying up independent doctors' offices and clinics to expand their footprints—and quietly adding the same hospital-based facility fees on top of bills for services performed in these outpatient settings.¹

Hospitals in Oregon are acquiring outpatient clinics. As hospitals expand into outpatient and ambulatory clinic settings, they are adding facility fees to bills, increasing costs for patients as well as for public and private payers.²

Oregonians are paying more at small local clinics, simply because they're now affiliated with a hospital. Facility fees can increase the total cost of care by three to five times compared to the same service provided by an independent doctor or clinic.³ These facility fees often come as a surprise to patients, who think that they are receiving off-campus, outpatient care.

Facility fees are driving up costs, to the tune of millions—without any transparency. How much are these facility fees? A Medicare Payment Advisory Commission report found that Medicare paid 141% more for a Level 2 echocardiogram in an outpatient hospital setting compared to a physician's office.⁴

Without a reporting requirement in Oregon, we don't have transparency around these extra charges or their impact on patients in Oregon—but we can safely assume that patients and insurers are incurring millions of dollars of expenses due to outpatient facility fees.

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¹ <http://thehealthcareblog.com/blog/2017/04/07/youve-got-facility-fees/>

² <https://www.marketwatch.com/story/how-facility-charges-could-add-hundreds-of-extra-dollars-to-a-doctors-visit-2017-05-03>

³ <https://www.beckershospitalreview.com/finance/6-things-to-know-about-facility-fees.html>

⁴ Virgil Dickson, "CMS Dials Back Plan to Slash Payment for Off-campus Services by Half," Modern Healthcare, (Nov. 2, 2017), <http://www.modernhealthcare.com/article/20171102/NEWS/171109962>

Oregon health systems are already disclosing facility fee information, for their operations in Washington. SB539 is complimentary to Washington's reporting requirements. If Oregon's largest health systems (Common Spirit, Legacy, PeaceHealth, Providence) are already successfully doing it in Washington, they can handle it in Oregon too.

It's time for Oregon hospitals to be transparent and accountable for price hikes at outpatient clinics.

Thank you,

Matt Swanson