



Consumers for Affordable Health Care

Advocating the right to quality, affordable
health care for all Mainers.

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Testimony In Support of:

LD 2271, An Act to Implement the Recommendations of the Task Force to Evaluate the Impact of Facility Fees on Patients to Improve Facility Fee Transparency and Notification and to Prohibit Facility Fees for Certain Services

March 18, 2024

Senator Bailey, Representative Perry, and Members of the Joint Standing Committee On Health Coverage, Insurance, and Financial Services, thank you for the opportunity to provide this testimony in support of LD 2271, An Act to Implement the Recommendations of the Task Force to Evaluate the Impact of Facility Fees on Patients to Improve Facility Fee Transparency and Notification and to Prohibit Facility Fees for Certain Services.

My name is Kate Ende, and I am the Policy Director at Consumers for Affordable Health Care, a nonpartisan, nonprofit organization that advocates the right to quality, affordable health care for every person in Maine. As designated by Maine's Attorney General, CAHC serves as Maine's Health Insurance Consumer Assistance Program (CAP), which operates a toll-free HelpLine. Our HelpLine fields approximately 7,000 calls and emails every year from people across Maine who need help obtaining, keeping, using, or fixing problems with private health insurance or with accessing or affording health care services. CAHC also serves as the Ombudsman program for Maine's Medicaid program, MaineCare, and helps people apply for and navigate the enrollment process for MaineCare. It is with that background that we provide these comments.

Our HelpLine team have witnessed firsthand the impact that facility fees can have on patients. This legislation is a necessary step towards ensuring fair pricing, transparency, and greater access to affordable healthcare for all.

Facility fees are separate charges billed for outpatient services provided in a hospital-based facility or freestanding emergency department that initially were intended cover overhead costs associated with offering 24-hour emergency departments and providing in-patient services. These fees are in addition to the charges for the actual medical services provided. The types of services and settings subject to facility fees have increased over the years and are now often charged for routine services and outpatient care, which has led to higher costs and confusion for patients. There is a growing concern about the lack of transparency and the wide range of facility fees charged by various healthcare providers.

Through our HelpLine, we have heard from people who received multiple facility fees for a single visit, were charged facility fees for visiting a freestanding urgent care clinic, and who have even been charged a hospital facility fee for a telehealth visit. People do not expect to receive facility fees for routine care or outpatient services, especially when the provider office isn't located on a hospital campus.

I had the privilege of serving on the Task Force to Evaluate the Impact of Facility Fees on Patients alongside Senator Bailey, Representative Arford, and the other members of the Task Force. Through our discussions, it was very clear there was unanimous agreement that there is an information gap in patient education regarding facility fees. Sections four and six of this bill seek to improve patient awareness of facility fees. Section four requires health care providers that charge a facility fee post notice on their website and on signs in common areas of the facility, including information on how to access the Maine Health Data Organization website for more information about facility fees and under what circumstances facility fees may be charged depending on the payor for a service and the setting in which a service is provided to patient. Section 6 directs Maine Health Data Organization (MHDO) to produce and post on its publicly accessible website information designed to educate the public about facility fees and whether and under what circumstances depending on payor and type of service a facility fee may be charged. Both of these provisions are based on Task Force recommendations that received **unanimous** support from all members of the Task Force.

Section five of this bill prohibits a provider from charging a patient a facility fee for telehealth services if the patient is **not** physically present in a hospital-based facility when the telehealth services are delivered, which is based on a recommendation that received support from a majority of Task Force members. Under this provision, a facility fee is only prohibited if a patient is at home and therefore not utilizing the hospital's facility when receiving telehealth services. However, if a patient went to the hospital and received care from an out-of-state specialist, for example, through telehealth, the hospital would still be allowed to charge a facility fee, since the patient was physically present at the hospital when services were delivered. Connecticut, Georgia, Maryland, Minnesota, Ohio and Washington all have laws prohibiting facility fees for certain telehealth visits. Maine should follow this lead and ensure patients aren't unfairly charged a facility fee when they have not physically used a facility.

We strongly urge the Committee to also consider other recommendations made by the Task Force that received majority support, including:

- Requiring health care providers to notify patients prior to a scheduled service if they will be charged a facility fee associated with their scheduled service;
- Requiring health care providers and payors to identify any facility fee separately in an itemized manner on any bill or explanation of benefits sent to a patient, to the extent possible;
- Prohibiting facility fees for outpatient evaluation and management services regardless of where the services are provided; and

- Establishing a complaint mechanism for patients experiencing billing issues with health care providers, including, but not limited to, facility fees.

We understand that there are overhead expenses related to staffing a 24-hour emergency department and resources provided by hospitals. However, we urge the committee to consider which services are appropriate to cover the burden of these expenses. Surely it is unfair to charge a facility fee to someone receiving telehealth services from the comfort of their home. We also believe patients receiving preventive and routine outpatient evaluation and management services, such as standard office visits, shouldn't have to pay for an additional facility fee.

Recent polling shows there is strong support among Mainers for policies targeting facility fees.¹

- **90% of Maine voters support** a requirement for medical providers to disclose their facility fees up front to patients, before a patient is seen.
- **79% of Maine voters support** banning or limiting facility fees for ROUTINE care, such as primary care and office visits, regardless of where those routine care services are provided.

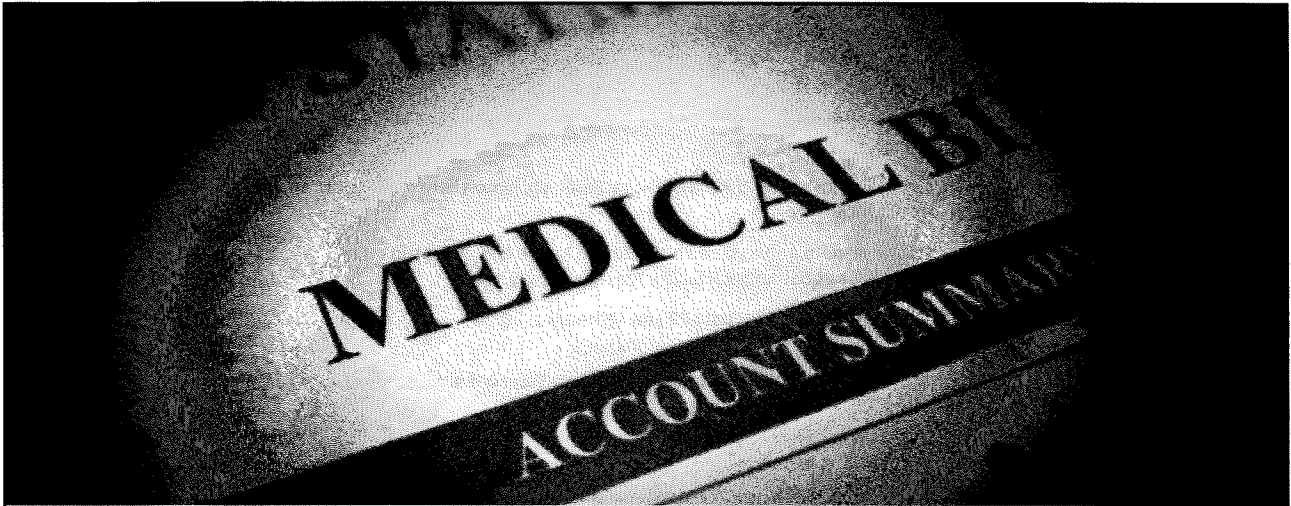
Some facility fees may be a couple hundred dollars, while others can be in the thousands. We have seen many bills from consumers where more than half of their total bill is attributed to facility fees. Consumers should be made aware in advance of a service if they will be charged a facility fee, so that they have the option of whether to consider an alternative care setting, if available, and so that they may make informed financial decisions about their care.

Furthermore, if a patient experiences a billing issue, whether it is related to a facility fee or not, there should be a complaint mechanism in place for such an issue. When consumers encounter an issue with their provider, they can file a complaint with the Maine Bureau of Insurance, who has authority to investigate the issue. However, no such process exists for patients who run into issues with their providers. We often hear about billing issues through our HelpLine and, unfortunately, even simple billing errors can be extremely difficult and time-consuming to resolve, due to the lack of regulatory oversight and availability of a complaint process.

For these reasons, we respectfully ask the Committee to consider amending LD 2271 to include the additional recommendations supported by the majority of members of the Task Force to Evaluate the Impact of Facility Fees on Patients.

Thank you.

¹ <https://drive.google.com/file/d/1jejlVXNL9SSiHDkTO6VYICJSvKSbfYNC/view>



**Perceptions of Health
Care Affordability and
Hospital Facility Fees in
Maine**



*Topline Results From a Survey Conducted on
Behalf of U.S. of Care and Maine Consumers
for Affordable Health Care*

by
**Digital
Research
inc. DRI**

Introduction

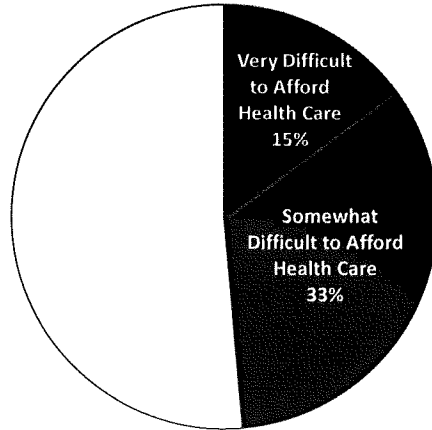
Background & Methodology

- This report presents the results of a survey conducted by Digital Research, Inc. on behalf of U.S. of Care and Maine Consumers for Affordable Health Care.
- The overall goals of the survey were to understand how voters in Maine feel about the affordability of health care generally and ascertain their views about hospital facility fees specifically.
- The survey was conducted online between January 22 and February 1, 2024.
 - The survey included a total of 505 registered voters in Maine.
 - With a total sample of 505 respondents, results presented here have a margin of sampling error of +/- 4.4 percentage points at the 95% confidence level.
 - All survey respondents were registered voters who live in Maine; final data were statistically weighted to reflect the demographics of the state's population.
 - The average participant completed the survey in approximately 15 minutes.

Health Care Affordability and Medical Debt

Half of surveyed voters in Maine believe it is difficult to afford health care.

Affordability of Health Care



Total Difficult to Afford Health Care: 48%

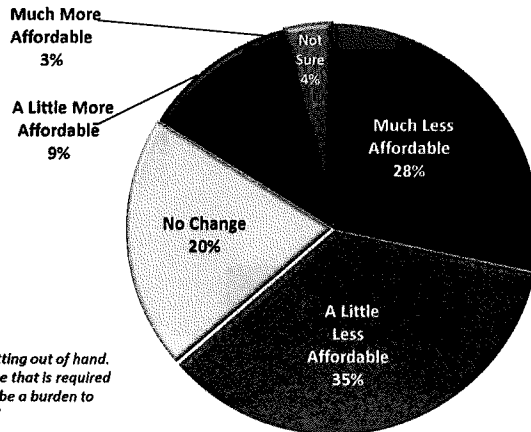
(n=505)



Overall, including the costs of health insurance, medical care, and prescription drugs, how easy or difficult is it for your household to afford health care at this point in time?

Two out of three voters who have health insurance through an employer believe that health care has become less affordable over the past five years. Many – three out of ten – feel health care has become *much less* affordable over that time.

Change in Affordability of Health Care Over Past 5 Years
(Among those who have health insurance through an employer)



Total Less Affordable: 63%

"The rising cost of...medical expenses is getting out of hand. Seeking routine care or getting medical care that is required for sickness or chronic disease shouldn't be a burden to someone's bank account."

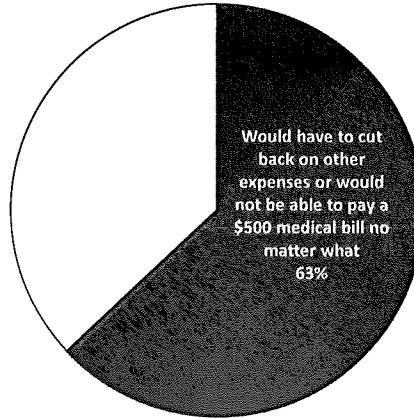
Among those who have health insurance through an employer (n=165)



Overall, including the costs of health insurance, medical care, and prescription drugs, compared to five years ago, has health care become more or less affordable for your household?

Two out of three voters would have at least some difficulty paying a \$500 medical bill.

Ability to Pay an Unexpected Medical Bill of \$500 in 30 Days



(n=505)

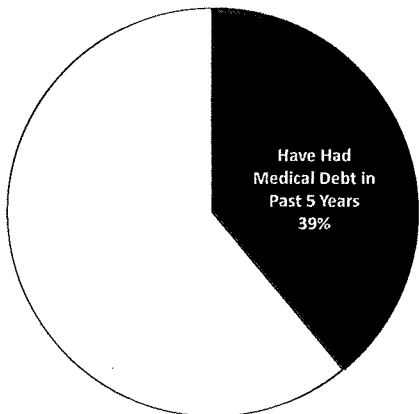


Let's say someone in your household incurred an unexpected medical expense of \$500 next week. If that happened, which of the following statements best describes your ability to pay that bill?

7

Four out of ten Mainers have taken on medical debt within the past five years. Hospital-owned facilities are, by far, the most common source of medical debt, with almost six out of ten saying the largest share of their debt came from a hospital facility.

Medical Debt



Primary Source of Medical Debt

A hospital or hospital-owned facility 56%

Three out of four who have taken on medical debt in the past five years still have medical debt (73%).

"Medical debt is one of the leading causes of bankruptcy for average citizens in the USA. No one should have to empty their savings account, and go to court, just so they can keep being alive. Even if it is for a simple headache, a hospital should be there to help."

(n=505)

Among those who have had medical debt in the past five years (n=196)



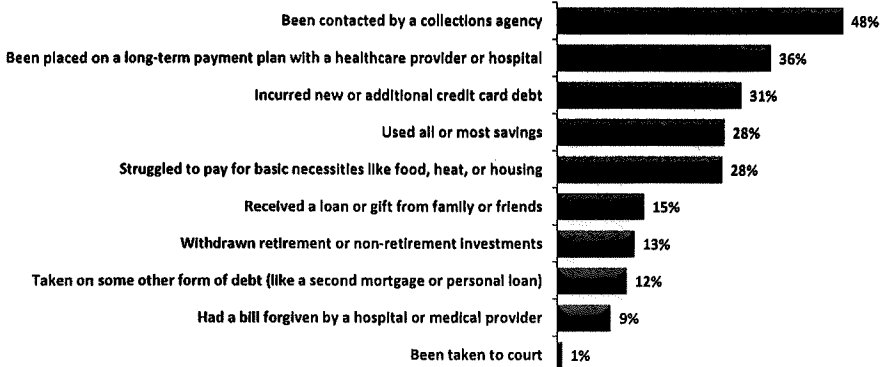
At any point over the past five years, have you or has anyone in your household taken on medical debt? Do you or does anyone in your household currently have any kind of medical debt?

Using your best guess, where did the largest share of your medical debt come from?

8

Half of Mainers with medical debt have been contacted by a collections agency because of that debt. Closer to three out of ten are on a long-term payment plan, have taken on credit card debt, used most or all of their savings, or have struggled to pay for basic necessities as a result of medical debt.

Challenges Resulting From Medical Debt



Almost nine out of ten Mainers who have medical debt have experienced at least one of these challenges (86%).

Among those who have had medical debt within the past five years (n=196)

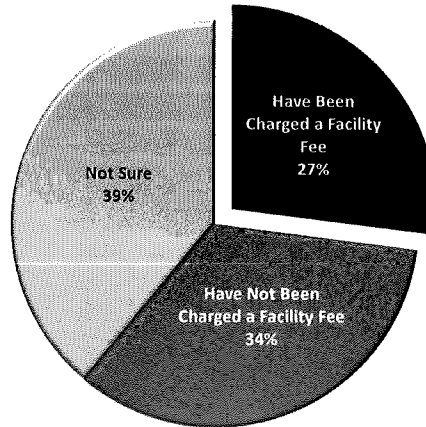


In the last 5 years, have you or has anyone in your household experienced any of the following as a result of the cost of your medical care or medical debt? (Please select all that apply.)

Hospital Facility Fees

A total of one-quarter of surveyed Mainers say they have been charged a hospital facility fee.

Experience With Hospital Facility Fees



(n=505)

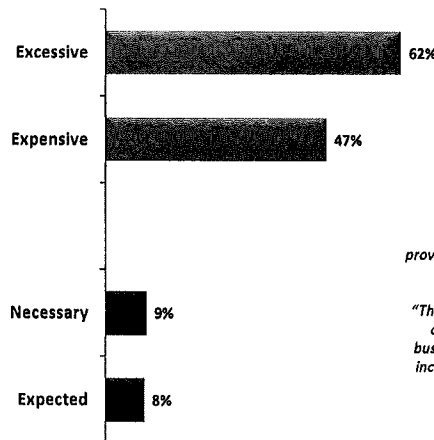


To the best of your knowledge, has anyone in your household been charged a hospital facility fee as part of a medical bill within the past five years?

Six out of ten voters feel that hospital facility fees charged for health care not provided in a hospital are "excessive," and half feel they are "expensive."
Just one out of ten believe these fees can be described as "necessary" or "expected."

Descriptors of Hospital Facility Fees

(Percentage who believe terms describe hospital facility fees)



"Hospital [facility] fees are so unfortunate. Medical providers...should do what they do. Charging additional fees for the purpose of making money is wrong."

"The typical businesses that provide services or products don't charge a facility fee. I don't understand why health care businesses need to charge one. It appears to be a gimmick to increase profit without effectively managing overhead costs"

(n=505)

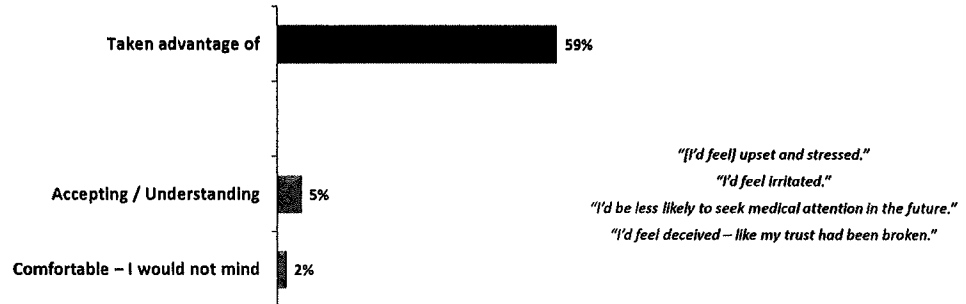


Which of the following words or phrases do you think describe hospital facility fees that are charged for health care services are not delivered in a hospital? (Please select all that apply.)

When asked how they would feel if they were charged a hospital facility fee for health care received outside of a hospital, six out of ten voters in Maine say they would feel "taken advantage of." Only one out of twenty would be "accepting or understanding" if they were charged a hospital facility fee for care received outside of a hospital, and almost none would feel "comfortable."

Feelings About Hospital Facility Fees Charged for Care Received Outside of a Hospital

(Percentage who say they would feel specified way if charged a hospital facility fee)



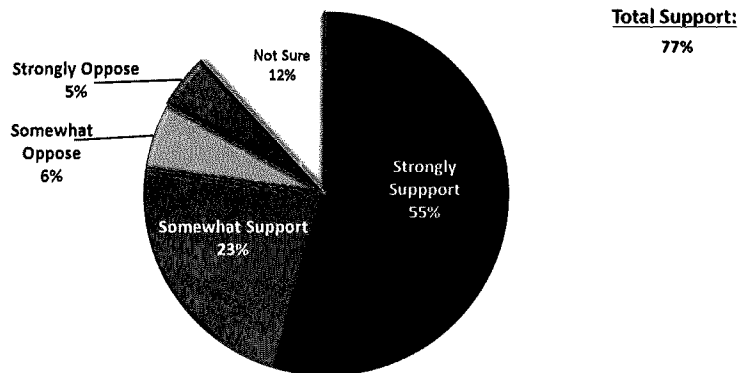
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Let's say you received a bill that included a "hospital facility fee" for health care services you received outside a hospital. How do you think you would feel? (Please select all that apply.)

Almost eight out of ten would support a law in Maine that banned hospitals from charging facility fees for care received outside of a hospital.

Support for Banning Hospital Facility Fees for Care Received Outside of a Hospital



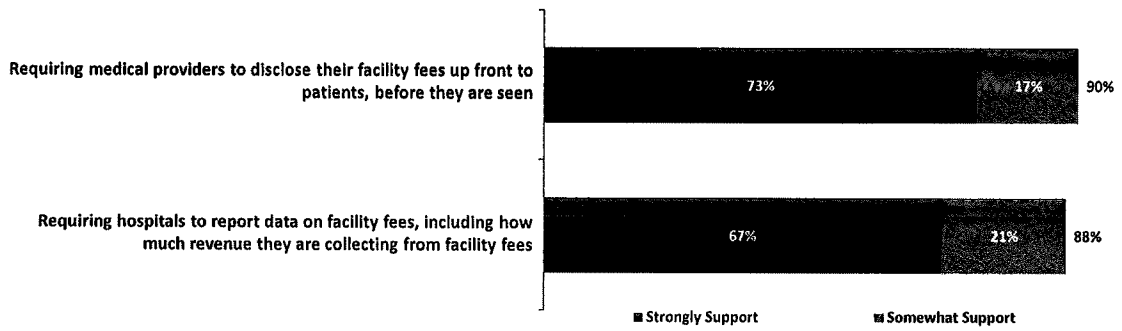
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Based on anything you may know or believe at this point, to what extent would you support or oppose a law in Maine that bans hospitals from charging "hospital facility fees" for health care services that are provided outside of a hospital, like at a clinic or doctor's office?

Nine out of ten voters would support laws that required medical providers to disclose their facility fees to patients or report the revenues they collect from those fees. Seven out of ten would *strongly* support those laws.

Support for Specific Policy Actions to Address Facility Fees



"I think hospitals are for-profit organizations and should be taxed like a business."

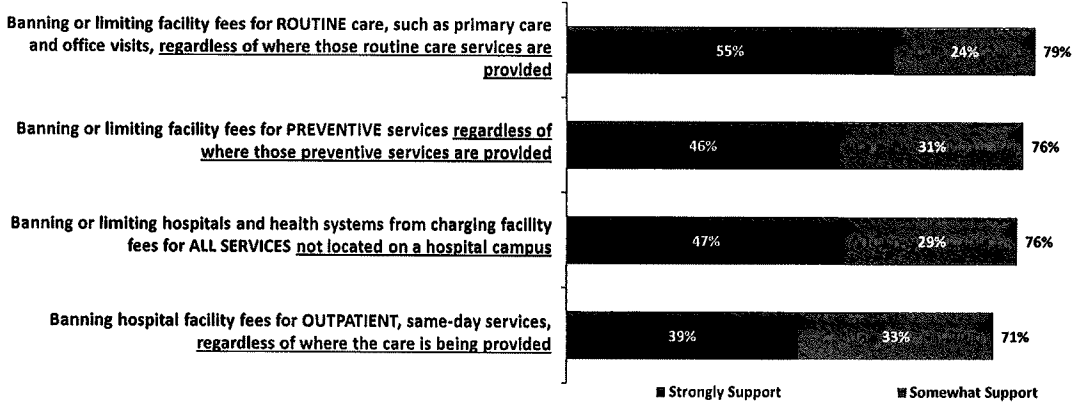


Below is a list of specific policy changes that have been proposed for hospital facility fees. For each, would you support or oppose lawmakers...?

(n=505)

Roughly eight out of ten voters would support restricting facility fees for routine care, preventive care, or all services not performed on a hospital campus. Seven out of ten voters would support banning facility fees everywhere for outpatient services.

Support for Specific Policy Actions to Address Facility Fees



Below is a list of specific policy changes that have been proposed for hospital facility fees. For each, would you support or oppose lawmakers...?

(n=505)

Profile of Participating Mainers

Demographic Characteristics of Survey Respondents

Gender	
Male	48%
Female	50%
Some other way/Prefer not to say	1%

Ethnicity	
Hispanic origin or descent	2%

Employment Status	
Employed full-time	34%
Employed part-time	12%
Not employed, looking for work	7%
Unable to work due to medical, health, or other issues	9%
Retired	26%
Student	3%
Stay at home parent or caregiver	6%

Age	
18-34	24%
35-49	23%
50-64	25%
65+	28%
AVERAGE	50

Education	
High school graduate or less	39%
Some college, vocational degree, or an Associate's degree	31%
Bachelor's degree	18%
Post graduate work or advanced degree	12%

Race	
White or Caucasian	98%
Indigenous (American Indian or Alaska Native)	2%
Black or African American	1%
Asian	1%
Indigenous (Native Hawaiian or Other Pacific Islander)	1%
Prefer not to say	2%

Congressional District	
CD1	50%
CD2	50%

Political Party Affiliation	
Democrat	36%
Republican	28%
Unenrolled or enrolled in another party	37%

Demographic Characteristics of Survey Respondents

Insurance Coverage	
Employer-provided Coverage	33%
Medicare / Medicare Advantage	30%
MaineCare / Medicaid	30%
Insurance purchased directly from an insurer or CoverME.gov	5%
Another government program (like TRICARE)	2%
Don't have health insurance	7%
Something else	1%

Household Income	
Under \$20,000	16%
\$20,000 to \$34,999	15%
\$35,000 to \$49,999	15%
\$50,000 to \$74,999	21%
\$75,000 to \$99,999	12%
\$100,000 to \$149,999	12%
\$150,000 or more	6%

Number of Adults in Household	
1	21%
2	57%
3	13%
4	7%
5	2%
6	1%

Number of Children in Household	
0	72%
1	13%
2	9%
3	3%
4+	2%