SHB 2582 - H AMD **973**
By Representative Johnson

ADOPTED 02/09/2012

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 70.01 RCW to read as follows:

(1) Prior to the delivery of nonemergency services, a provider-based clinic that charges a facility fee shall provide a notice to any patient that the clinic is licensed as part of the hospital and the patient may receive a separate charge or billing for the facility component, which may result in a higher out-of-pocket expense.

(2) Each health care facility must post prominently in locations easily accessible to and visible by patients, including its web site, a statement that the provider-based clinic is licensed as part of the hospital and the patient may receive a separate charge or billing for the facility, which may result in a higher out-of-pocket expense.

(3) Nothing in this section applies to laboratory services, imaging services, or other ancillary health services not provided by staff employed by the health care facility.

(4) As part of the year-end financial reports submitted to the department of health pursuant to RCW 43.70.052, all hospitals with provider-based clinics that bill a separate facility fee shall report:

(a) The number of provider-based clinics owned or operated by the hospital that charge or bill a separate facility fee;

(b) The number of patient visits at each provider-based clinic for which a facility fee was charged or billed for the year;

(c) The total revenue received by the hospital for the year by means of facility fees at each provider-based clinic; and

(d) The range of allowable facility fees paid by public or private payers at each provider-based clinic.

(5) For the purposes of this section:

(a) "Facility fee" means any separate charge or billing by a provider-based clinic in addition to a professional fee for physicians' services that is intended to cover building, electronic medical records systems, billing, and other administrative and operational expenses.

(b) "Provider-based clinic" means the site of an off-campus clinic or provider office located at least two hundred fifty yards from the main hospital buildings or as determined by the centers for medicare and medicaid services, that is owned by a hospital licensed under chapter 70.41 RCW or a health system that operates one or more hospitals licensed under chapter 70.41 RCW, is licensed as part of the hospital, and is primarily engaged in providing diagnostic and therapeutic care including medical history, physical examinations, assessment of health status, and treatment monitoring. This does not include clinics exclusively designed for and providing laboratory, x-ray, testing, therapy, pharmacy, or educational services and does not include facilities designated as rural health clinics.

NEW SECTION. **Sec. 2.** This act takes effect January 1, 2013."

Correct the title.

EFFECT: Specifies that the notice requirements only apply to nonemergency services.

Eliminates the requirement that the notice to the patient include a list of the items in the fee and an estimate of the potential cost to the patient. Requires the notice to state that the clinic is licensed as part of the hospital and the patient may receive a separate billing for a facility fee which may result in greater out-of-pocket expenses for the patient.

Requires hospitals that own or operate provider-based clinics that charge facility fees to report to the Department of Health: (1) The total number of provider-based clinics that charge a facility fee that the hospital owns or operates, (2) the number of visits at each provider-based clinic for which a facility fee was charged, (3) the total revenue received by the hospital through facility fees at each provider-based clinic, and (4) the range of allowable facility fees charged at each provider-based clinic.

Eliminates the maximum limit that provider-based clinics may charge as facility fees.

Changes the term "health care facility" to "provider-based clinic." Defines a "provider-based clinic" as a clinic or provider office that either (1) is 250 yards or more from the main campus of a hospital or

(2) has been determined to be a provider-based clinic by the federal Centers for Medicare and Medicaid Services. Further defines "provider-based clinic" as being (1) owned by a hospital or health system that operates hospitals, (2) licensed as part of the hospital, or (3) primarily engaged in providing diagnostic and therapeutic care. Excludes clinics that are rural health clinics or that exclusively provide laboratory, x-ray, testing, therapy, pharmacy, or educational services.

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