
HOUSE BILL 1862

State of Washington

67th Legislature

2022 Regular Session

By Representatives Macri, Cody, Simmons, Valdez, and Harris-Talley

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1 AN ACT Relating to facility fees charged by certain health care
2 providers; and amending RCW 70.01.040.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 70.01.040 and 2021 c 162 s 4 are each amended to
5 read as follows:

6 (1) A health care provider may not charge, bill, or collect a
7 facility fee except for services provided to a patient when the
8 patient is on a hospital's campus.

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

14 ((2)) (3) Each ((health care facility)) provider-based clinic
15 that charges a facility fee must post prominently in locations easily
16 accessible to and visible by patients, including its website, a
17 statement that the provider-based clinic is licensed as part of the
18 hospital and the patient may receive a separate charge or billing for
19 the facility, which may result in a higher out-of-pocket expense.

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

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

8 (a) The number of provider-based clinics owned or operated, in
9 whole or in part, by the hospital that charge or bill a separate
10 facility fee;

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

13 (c) The medicaid, medicare, and commercial health plan revenue
14 received by the hospital for the year by means of facility fees at
15 each provider-based clinic; (~~and~~)

16 (d) The range of allowable facility fees paid by (~~public or~~
17 ~~private~~) medicaid, medicare, and commercial health plan payers at
18 each provider-based clinic; and

19 (e) Any additional information that the department requires.

20 (5) The department may impose sanctions on a hospital in
21 accordance with RCW 70.41.130 for failure to comply with the
22 requirements of this section.

23 (6) The department may adopt rules to implement the provisions of
24 this section.

25 (7) For the purposes of this section:

26 (a) "Campus" means:

27 (i) A hospital's main buildings; and

28 (ii) The physical area immediately adjacent to a hospital's main
29 buildings and other areas and structures, including a provider-based
30 clinic, that are not strictly contiguous to the main buildings, but
31 are located within 250 yards of the main buildings.

32 (b) "Facility fee" means any separate charge or billing by a
33 provider-based clinic in addition to a professional fee for
34 physicians' services that is intended to cover building, electronic
35 medical records systems, billing, and other administrative and
36 operational expenses, regardless of the modality through which the
37 health care services were provided.

38 (~~(b)~~) (c) "Health care provider" means an individual, entity,
39 corporation, person, or organization, whether for profit or
40 nonprofit, that furnishes, bills, or is paid for health care service

1 delivery in the normal course of business, and includes, but is not
2 limited to, health systems, hospitals, and provider-based clinics.

3 (d) "Provider-based clinic" means the site of ((an-off-campus)) a
4 clinic or provider office that is owned or operated, in whole or in
5 part, by a hospital licensed under chapter 70.41 RCW or a health
6 system that operates one or more hospitals licensed under chapter
7 70.41 RCW, is licensed as part of the hospital, and is primarily
8 engaged in providing diagnostic and therapeutic care including
9 medical history, physical examinations, assessment of health status,
10 and treatment monitoring. This does not include ((clinics exclusively
11 designed for and providing laboratory, X-ray, testing, therapy,
12 pharmacy, or educational services and does not include)) facilities
13 designated as rural health clinics, critical access hospitals, or
14 sole community hospitals.

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