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HOUSE BILL 2378

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State of Washington

68th Legislature

2024 Regular Session

By Representatives Tharinger, Macri, Bateman, Harris, Reed, Doglio,  
and Pollet

Read first time 01/15/24. Referred to Committee on Health Care &  
Wellness.

1 AN ACT Relating to facility fees charged by certain affiliated  
2 health care 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) An affiliated health care provider may not charge, bill, or  
7 collect a facility fee except for services provided to a patient when  
8 the 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. The  
14 notice must include the amount of the facility fee that will be  
15 charged. The notice must be provided to a patient at the time the  
16 appointment is scheduled and at the time that the health care service  
17 is rendered.

18 ((+2)) (3) Each ((health care facility)) provider-based clinic  
19 that charges a facility fee must post prominently in locations easily  
20 accessible to and visible by patients, including its website, a  
21 statement that the provider-based clinic is licensed as part of the

1 hospital and the patient may receive a separate charge or billing for  
2 the facility, which may result in a higher out-of-pocket expense.

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

6 (4) Beginning January 1, 2025, each initial billing statement  
7 that includes a facility fee must:

8 (a) Clearly identify the fee as a facility fee that is billed in  
9 addition to, or separately from, any professional fee billed by the  
10 provider;

11 (b) Include a statement that the facility fee is intended to  
12 cover the hospital's or health system's operational expenses;

13 (c) Inform the patient that the patient's financial liability may  
14 have been less if the services had been provided at a facility not  
15 owned or operated by the hospital or health system; and

16 (d) Include written notice of the patient's right to request a  
17 reduction in the facility fee or any other portion of the bill and a  
18 telephone number that the patient may use to request such a reduction  
19 without regard to whether the patient qualifies for, or is likely to  
20 be granted, any reduction.

21 (5) (a) A provider-based clinic that is newly affiliated with or  
22 owned by a hospital or health system on or after January 1, 2025,  
23 shall provide written notice to each patient receiving services  
24 within the 12-month period immediately preceding the affiliation or  
25 change of ownership that the provider-based clinic is part of a  
26 hospital or health system. The notice must include:

27 (i) The name, business address, and phone number of the hospital  
28 or health system that is the purchaser of the provider-based clinic  
29 or with which the provider-based clinic is affiliated;

30 (ii) A statement that the provider-based clinic bills, or is  
31 likely to bill, patients a facility fee that may be in addition to  
32 and separate from any professional fee billed by a health care  
33 provider at the provider-based clinic; and

34 (iii) A statement that, prior to seeking services at the  
35 provider-based clinic, a patient covered by a health insurance policy  
36 or health benefit plan should contact the patient's health insurer  
37 for additional information regarding the provider-based clinic's  
38 facility fees, including the patient's potential financial liability,  
39 if any, for the facility fees.

1 (b) A hospital, health system, or health facility may not collect  
2 a facility fee for health care services provided by a health care  
3 provider affiliated with or owned by a hospital or health system that  
4 is subject to any provisions of this section from the date of the  
5 transaction until at least 30 days after the written notice required  
6 by this subsection (5) has been sent to the relevant patients.

7 (6) A provider-based clinic must apply for, obtain, and use on  
8 all claims for reimbursement or payment for health care services  
9 provided at the provider-based clinic submitted on or after January  
10 1, 2025, a unique national provider identifier that is separate and  
11 distinct from the national provider identifier of the hospital that  
12 owns or operates the clinic. The provider-based clinic's unique  
13 national provider identifier must be included on any claim for  
14 reimbursement or payment for health care services provided at the  
15 provider-based clinic, regardless of whether the claim is filed or  
16 submitted by or through a central office of the hospital.

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

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

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

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

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

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

33 (~~(5)~~) (8) The department may impose sanctions on a hospital in  
34 accordance with RCW 70.41.130 for failure to comply with the  
35 requirements of this section.

36 (9) The department may adopt rules to implement the provisions of  
37 this section.

38 (10) For the purposes of this section:

39 (a) "Affiliated health care provider" means an individual,  
40 entity, corporation, person, or organization, whether for profit or

1 nonprofit, that furnishes, bills, or is paid for health care service  
2 delivery in the normal course of business, and includes, but is not  
3 limited to, health systems, hospitals, and provider-based clinics.

4 (b) "Campus" means:

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

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

10 (c) "Facility fee" means any separate charge or billing by a  
11 provider-based clinic in addition to a professional fee for  
12 physicians' services that is intended to cover building, electronic  
13 medical records systems, billing, and other administrative and  
14 operational expenses, regardless of the modality through which the  
15 health care services were provided.

16 ~~((b))~~ (d) "National provider identifier" means the standard,  
17 unique health identifier for affiliated health care providers that is  
18 issued by the national provider system in accordance with 45 C.F.R.  
19 part 162.

20 (e) "Provider-based clinic" means the site of ~~((an off-campus))~~ a  
21 clinic or provider office that is owned or operated, in whole or in  
22 part, by a hospital licensed under chapter 70.41 RCW or a health  
23 system that operates one or more hospitals licensed under chapter  
24 70.41 RCW, is licensed as part of the hospital, and is primarily  
25 engaged in providing diagnostic and therapeutic care including  
26 medical history, physical examinations, assessment of health status,  
27 and treatment monitoring. This does not include ~~((clinics exclusively~~  
28 ~~designed for and providing laboratory, X-ray, testing, therapy,~~  
29 ~~pharmacy, or educational services and does not include))~~ facilities  
30 designated as rural health clinics, critical access hospitals, or  
31 sole community hospitals.

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