



Vermont Association of  
Hospitals and Health Systems

## S.31 Disclosure and Surprise Billing: “Facility Fees”

Thank you for having me back on this issue. Again, we know that the health care billing system is confusing, stressful, and less than transparent. We support greater transparency for Vermonters.

The last time we met, you asked me to speak on “facility fees.” When I went back to “Nine Rights Every Patient Should Demand,” the opinion piece upon which this legislation is based, I found this scenario:

### **6. The right to be informed in advance about any facility fees.**

*A procedure can come with different price tags depending on where it is performed. A Stanford faculty member I interviewed scheduled some minor hand surgery for a time that was convenient for her and her surgeon. On different days, the surgeon operated at different locations. She chose a day he worked at a hospital, so the facility fee was \$11,000, and her co-pay was \$2,200. If she’d chosen one of the days he worked at a surgery center, it would have cost her \$2,000.*

In this scenario, the surgeon is an independent provider who has privileges at a hospital. Sometimes the surgeon performs surgeries at a surgery center and sometimes the surgeon performs surgery at a hospital. The independent surgeon performed this particular hand surgery at a hospital. The hospital then charges a separate bill for the independent surgeon’s use of the space and equipment, which results in the patient paying \$200 more.

If the committee is looking to avoid this scenario, the current language does not achieve this because it only applies to hospitals and a hospital cannot require independent physicians to make specific disclosures.

There can be a gap between hospital costs and independent provider costs for certain services. This is due in large part to the need to supplement other hospital costs such as emergency services, obstetrics, and psychiatric care. Like the bill’s requirement that physicians disclose charges, this information, without the benefit of health care coverage information or quality metrics may confuse the patient rather than adequately inform the patient.