

# MASSPIRG

February 1, 2024

Dear Governor Healey,

On behalf of MASSPIRG and thousands of members across the state, I am writing to urge you to ban unjustified facility fees. As health care systems consolidate and are buying up independent physician practices and imaging and laboratory centers, patients are being charged with unexpected hospital 'facility fees' for the same services they were getting before the merger.

Facility fees are an unfair billing practice that raise the cost of health care. As hospitals and health systems absorb independent doctor's offices, clinics, and imaging centers, they also gain control over billing for those non-hospital locations. Patients are receiving facility fee bills because of that change in ownership, not due to any change in the level or quality of service.

Facility fees can vary from hundreds to thousands of dollars. The "facility fee" is based solely on the new hospital affiliation, even when the place of service is miles away from the hospital itself. Facility fees are unfair because they do not pay for any additional benefit; they are medical junk fees that raise the cost of care.

These fees can be added to office-based care that is typically lower-cost, such as colonoscopies, imaging services, and other outpatient care. Facility fees may not be covered by insurance, meaning the patient will owe the full amount of that charge. And even if insurance covers the charge, it is unnecessarily driving up costs for our insurers which could be passed on to people in the form of higher insurance premiums or cost-sharing.

While some federal proposals address facility fees, so far, only state legislatures have taken concrete steps to curb this practice. Fifteen states, including Massachusetts, have passed some form of legislation to restrict facility fees, collect data or educate patients about these fees. But Massachusetts needs to do more.

Massachusetts recently passed a law, though it does not go into effect until 2025, that requires patients to be notified about any such fees and the amount at the time of making an appointment. While that is a good first step, it is not enough.

Massachusetts should follow the transparency and reporting requirements that states like Connecticut and Indiana have adopted to understand the true cost of these fees on patients, and we should take the lead in restricting facility fees when they are merely a result of an affiliation with a hospital rather than adding additional services or benefits to the health care consumer. For the sake of patients across the state, I urge you to make this a priority.

Sincerely,  
Deirdre Cummings  
MASSPIRG Legislative Director  
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Cc David Seltz, Executive Director, Health Policy Commission