

2024-2025 Facility Fee Workgroup Charter

Workgroup Responsibilities

Maryland law¹ requires the Health Services Cost Review Commission (HSCRC) to consult with multiple State Agencies and other stakeholders on a study on facility fees. HSCRC is convening this workgroup to provide advice to the HSCRC on the study and any related recommendations to the legislature.

The Workgroup's discussions shall help inform HSCRC's development on two reports to the legislature, due December 1, 2024, and December 1, 2025. These reports are described below.

HSCRC Facility Fee Study and Reports

HSCRC is required to conduct a study on facility fees and submit reports in 2024 and 2025.

2024:

- Consider the impact of expanding the facility fee notice requirement on consumers, including Medicaid recipients and consumers with recurring appointments, with consideration given to the impact on providers and payers.
- Make recommendations for the application of the outpatient facility fees notice requirement to apply to all outpatient services, including services provided by out-of-state hospitals at outpatient locations in the State.
- Make a preliminary report on other findings and recommendations (see below)

2025: Provide findings and recommendations on:

- the nature of costs underlying hospital outpatient facility fees and how similar costs are recovered in other health care settings;
- the drivers of hospital facility costs that are unique to hospitals and are not reflected in other health care settings;
- the magnitude and impact of hospital facility fee charges for hospitals, payers, and consumers;
- industry practices for seeking authority for an outpatient location to be approved as "at the hospital" and thereby subject to rate regulation;
- alternative mechanisms or revisions to the billing of the facility fees that would allow hospitals to recover costs while protecting individual consumers from high facility fee bills, maintaining access to health care services, and addressing health equity concerns;
- the interaction of the alternative mechanisms or revisions studied under item (5) of this subsection with the State's Total Cost of Care model obligations to the federal

¹ [Chapter 142 \(2024\), Laws of Maryland](#)

government, including any impact on Medicare total cost of care savings if outpatient facility fees are eliminated or reduced;

- the impact of the alternative mechanisms or revisions studied under item (5) of this subsection on Medicaid, Medicare, and commercial insurance, including consumer out-of-pocket costs, with a particular focus on the interaction with high-deductible commercial insurance products;
- published material on efforts in other states, by federal Medicare and Medicaid regulatory agencies, and by national advocacy organizations related to the regulation or minimization of facility fees, and the potential effects that similar efforts may have on health care costs in the State, including consumers' out-of-pocket costs;
- the regulation of fees charged by out-of-state hospital outpatient facilities located in the State; and
- the effectiveness of the notice of hospital outpatient facility fees that is provided to consumers.

Guiding Principles

The workgroup will consider the following principles in its work:

- Provide effective notice to patients on cost exposure & protect consumers from high facility fee bills.
- Maintain access to health care services & minimize deferral of necessary care by consumers.
- Address health equity concerns.
- Consider the impact of policy changes on consumers, hospitals, and payers.

Workgroup Meetings

All meetings of the Workgroup are open to the public. Reasonable notice of all meetings, stating the time and place, shall be given to each Member by email. Reasonable notice of all meetings shall be provided to the public by posting on the HSCRC website:

<https://hscrc.maryland.gov/Pages/Workgroups-Home.aspx>.

Order of Business

Generally, the agenda/order of business at meetings of the Workgroup shall be as follows:

- (a) Calling the meeting to order;
- (b) Consideration of the topic/questions presented to the Workgroup;
- (c) Public comments; and
- (d) Adjournment.

Quorum

A simple majority of the Members shall constitute a quorum at any meeting for the conduct of the business of the Workgroup.

Participation in Meetings



Members will attend meetings via web conference. Members participating by such means shall count for quorum purposes, and their support for recommendations shall be included so long as their participation is included in attendance.

Membership.

By law, the workgroup will include members from the Maryland Health Services Cost Review Commission, the Maryland Department of Health, the Maryland Insurance Administration, the Health Education and Advocacy Unit within the Office of the Attorney General, hospitals (including an out-of-state hospital providing services to patients in facilities in the State) representatives of physician practices that provide services in hospital outpatient settings, health care payers, consumer advocacy groups, and employer groups. HSCRC may also ask other experts to participate.

Chair and Staff

HSCRC will chair and provide staff support for the workgroup.

Timeline (Tentative)

May - July 2024	Recruit members and hold the first workgroup meeting.
July - November 2024	Workgroup meetings provide input for the 2024 report. Staff draft and submit 2024 report
September 2024 - December 2025	Workgroup convenes at least quarterly on the study. Staff draft and submit the final report.

