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ATTORNEY GENERAL



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Office of The Attorney General  
**State of Connecticut**

November 19, 2013

**Re: Request for Information – Disclosure of Facility Fees**

Dear :

I am writing to you today to seek your assistance in addressing an important issue that impacts Connecticut citizens and your patients. As you well know, the healthcare industry is undergoing a period of rapid consolidation. Hospitals and health systems continue to acquire independent physician practices, free-standing ambulatory surgical centers and urgent care centers. In addition to potentially raising the cost of outpatient care provided in hospital-owned physician practices, I am troubled by reports that some acquired entities may not be disclosing clearly to patients their affiliation with a hospital or the fact that the hospital will charge these patients a separate and often expensive “facility fee.”

To address this concern, on September 19, 2013 I announced my intention to seek legislation that will provide meaningful transparency and cost information to consumers. In order to better understand the scope of these issues, I seek your cooperation in providing information about your hospital’s disclosure of facility fees. In particular, I ask that you provide us with:

1. The name, address, specialty type and contact information for each of your off-campus hospital-based provider(s) that currently charges a facility fee.<sup>1</sup>

<sup>1</sup> For purposes of these requests, a “hospital-based provider” means a provider that is owned or employed by or in a joint venture with your hospital, or is licensed as part of the hospital to provide outpatient services. A “facility fee” means any separate charge or billing by a hospital-based provider, in addition to a professional fee, that is intended to cover building, equipment, electronic medical records systems, billing and other administrative and operational expenses. A “campus” means the physical area immediately adjacent to the hospital’s main buildings and other areas and structures that are not strictly contiguous to the main buildings but are located within 250 yards of the main buildings, and any other areas determined on an individual case basis by the Centers for Medicare and Medicaid Services to be part of the hospital’s campus.

2. The name and address of each of your off-campus hospital-based provider(s) that currently *does not* charge a facility fee. For each such provider identified, identify the specialty type and state the reason why the provider does not charge a facility fee.
3. For each off-campus hospital-based provider identified in your answer to Request No. 1 above, state whether you require that the provider disclose to patients, in writing<sup>2</sup>:
  - (a) that the provider is owned, affiliated or part of a joint venture with your hospital;
  - (b) that the provider charges separate professional and facility fees;
  - (c) the amount that the provider will potentially charge the patient for services to be rendered by the provider, including the amount of any facility fee, and the amount of the professional fee;
  - (d) an explanation that the patient will incur a financial liability for a facility fee that he or she may not incur if the provider were not hospital-based;
  - (e) an estimate of the amount that the provider will charge the patient for services to be rendered by the provider based on typical or average charges for visits to the facility, including an estimate of the facility fee and the professional fee likely to be charged;
  - (f) a statement that the patient's actual liability will depend upon the actual services furnished by the provider; and
  - (g) that for additional information regarding the provider's charges and fees, including any payments the patient will be required to make, and the location of other providers that may be available to supply comparable services to the patient at a lower cost, any patient enrolled in an insurance or health care plan should contact that plan for more detailed information.
4. For each off-campus hospital-based provider identified in your answer to Request No. 1 above, please produce exemplars of any written notice sent or provided to your patients and specify:
  - (a) whether the written notice is provided when the appointment is scheduled. If not, when is the notice provided? If yes, by what means is the notice communicated (i.e., mail, electronic mail, other)?
  - (b) whether the notice is hand-delivered to patients when they arrive at the provider's

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<sup>2</sup> If the notice is not in writing then state the means by which the information is disseminated to patients.

office to receive non-emergency care?

5. For each off-campus hospital-based provider identified in your answer to Request No. 1 above, state whether you require your off-campus hospital-based provider to identify itself as part of your hospital in the provider's:
- (a) signage;
  - (b) marketing materials;
  - (c) websites;
  - (d) stationery; and
  - (e) other means of disclosure.

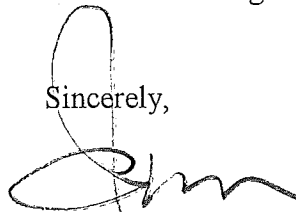
Please provide exemplars of any such disclosures.

I am confident that you will agree with me that citizens who require medical care in Connecticut deserve clear and meaningful notice and disclosure of facility fees. Therefore, I am requesting that you provide your responses by December 6, 2013.

Please feel free to contact me or Assistant Attorney General Charles Hulin at 860-808-5253 or Assistant Attorney General Rachel Davis at 860-808-5041 if you have any questions.

I appreciate your cooperation and look forward to working with you on this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Jepsen", written over a vertical line.

GEORGE JEPSEN