



Facility Fee Trends
Calendar Year 2019–2023

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What is a Facility Fee?

- C.G.S. §19a-508c(a)(3) defines “Facility fee” as **any fee charged or billed** by a hospital or health system for outpatient hospital services provided in a hospital-based facility that is:
- Intended to compensate the hospital or health system for the operational expenses of the hospital or health system
- Separate and different from a professional fee

Background and Data Sources

- CGS §19a-508(c) requires hospitals/health systems to report to OHS, data on facility fee related revenue and patient visits for outpatient services provided **on** and **off** campus
- What is a Hospital-Based Facility?
 - C.G.S. §19a-508c(a)(7) defines a hospital-based facility as one that is owned or operated by a hospital or health system and provides professional medical services
- All data utilized in this presentation is reported by hospital/health system to OHS for the calendar year

Facility Fee Filing Mandate Intent

- To limit facility fees to those services for which they were traditionally intended
- To restrict facility fee charging for outpatient routine office visits
- Reduce rising health care costs and increase affordability
- To provide transparency
 - Through analyzing and monitoring trends on hospital/health system facility fees for Medicare, Medicaid, private insurers and other payers
 - By identifying cost drivers, trends and service lines that generate the most revenue

Outpatient Facility Fee Reporting Details

- In 2023 , hospital and health system Facility Fee reporting was enhanced to include the submission of:
- Written notice with tag lines
- Sample of a billing statement
- Updated Excel spreadsheets:
 - Whether the facility is located **on-campus** or **off-campus** of a hospital
 - Total number of patient visits and net revenue by payer
 - Total amount of hospital gross charges
 - Top ten procedures/services by Current Procedural Terminology (CPT)/Healthcare Common Procedure Coding System (HCPCS) code

Assessment & Management and Evaluation & Management

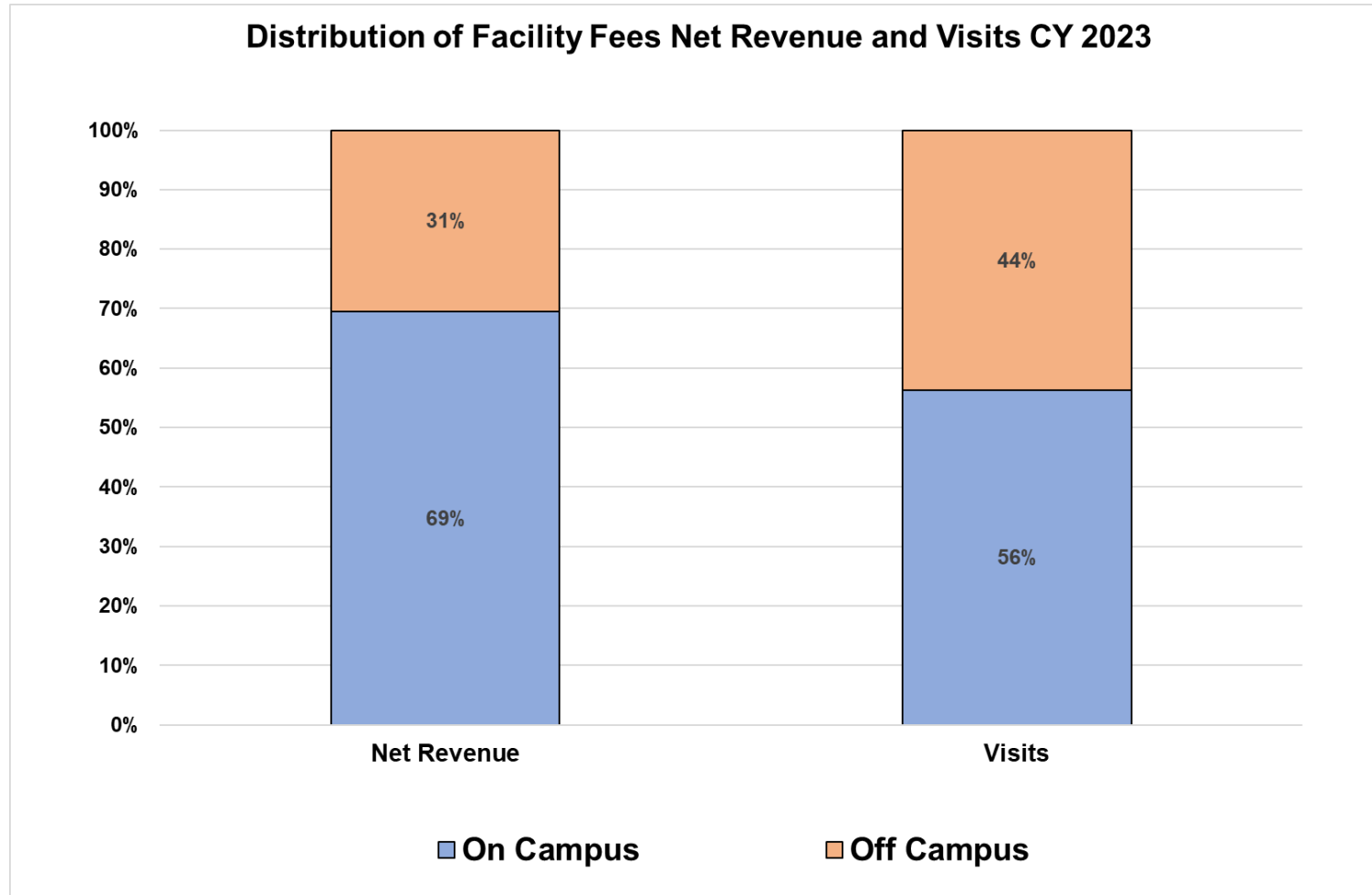
- These visits are services by a physician or other health care professional to evaluate or manage a patient's health, e.g., office visits, hospital visits, home service and preventive care
 - Assessment and Management is hospital outpatient clinic visit for assessment of a patient (HCPCS code G0463)
 - Evaluation and Management are visits and services that manage patient health (CPT codes 99201 – 99299)

Facility Fee Prohibition and Exclusions

- Extends facility fee prohibition to certain services on a hospital campus
 - From July 1, 2024, unless a contract is already in place, any hospital or hospital health system is prohibited from collecting a facility fee on evaluation & management and assessment & management services provided on a hospital campus
- Exclusions for services provided:
 - On campus or freestanding emergency department;
 - On campus observation stays;
 - On campus wound care, orthopedics, anticoagulation, oncology, obstetrics, and solid organ transplant services

Distribution of Outpatient Facility Fee Net Revenue and Visits CY 2023

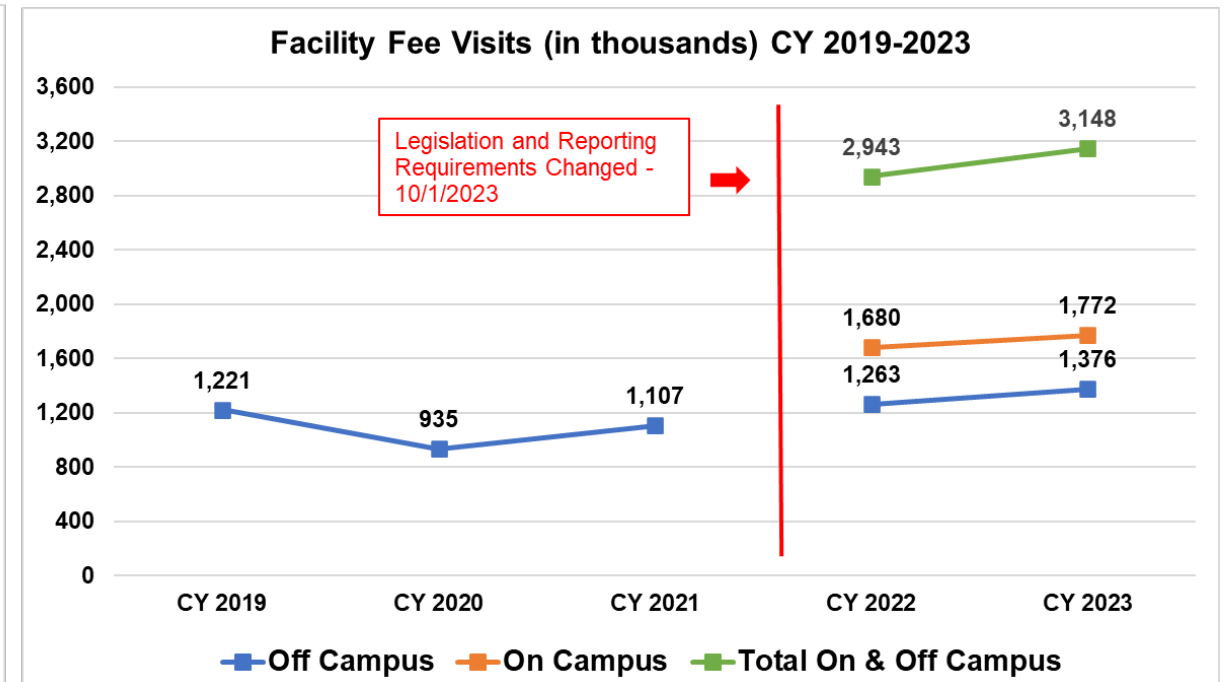
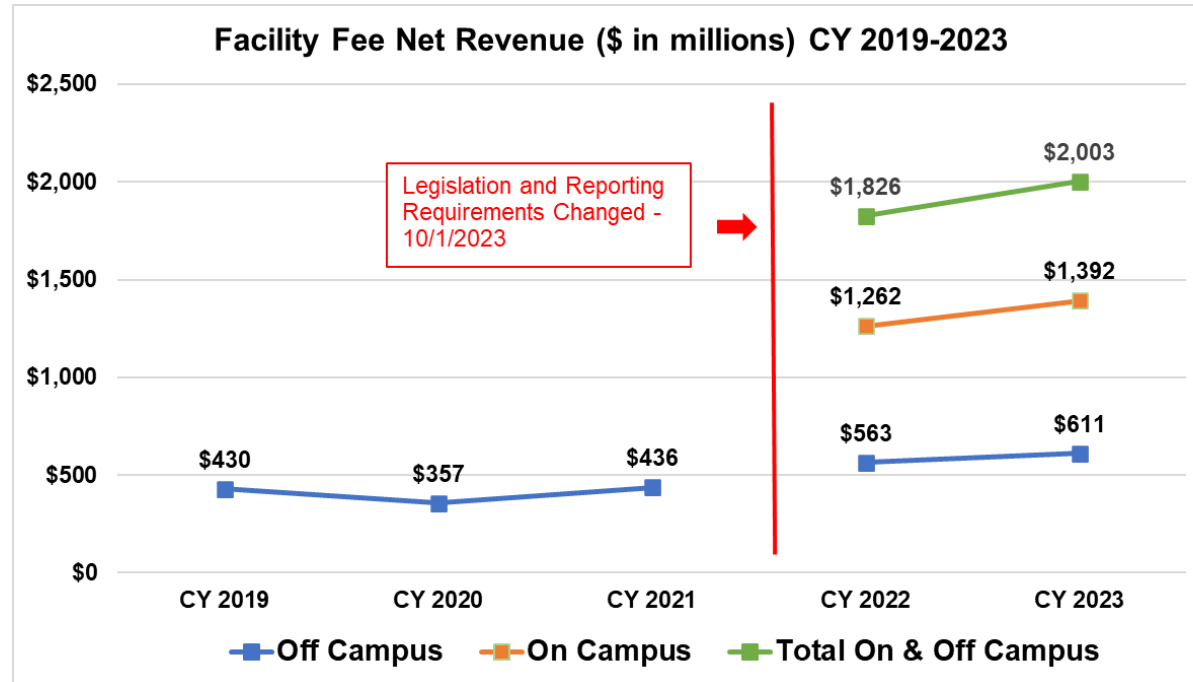
The majority of facility fee net revenue and visits were for on campus in CY 2023



Outpatient Facility Fee Net Revenue and Visits

Five Year Trend CY 2019–2023

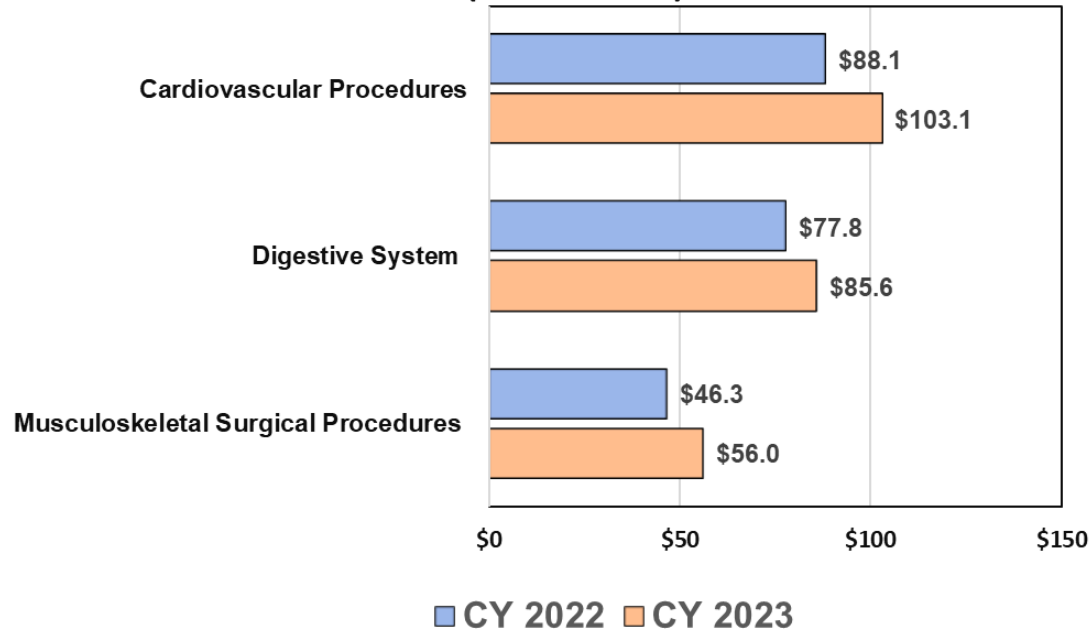
Both On and Off campus facility fee net revenue and visits increased in CY 2023



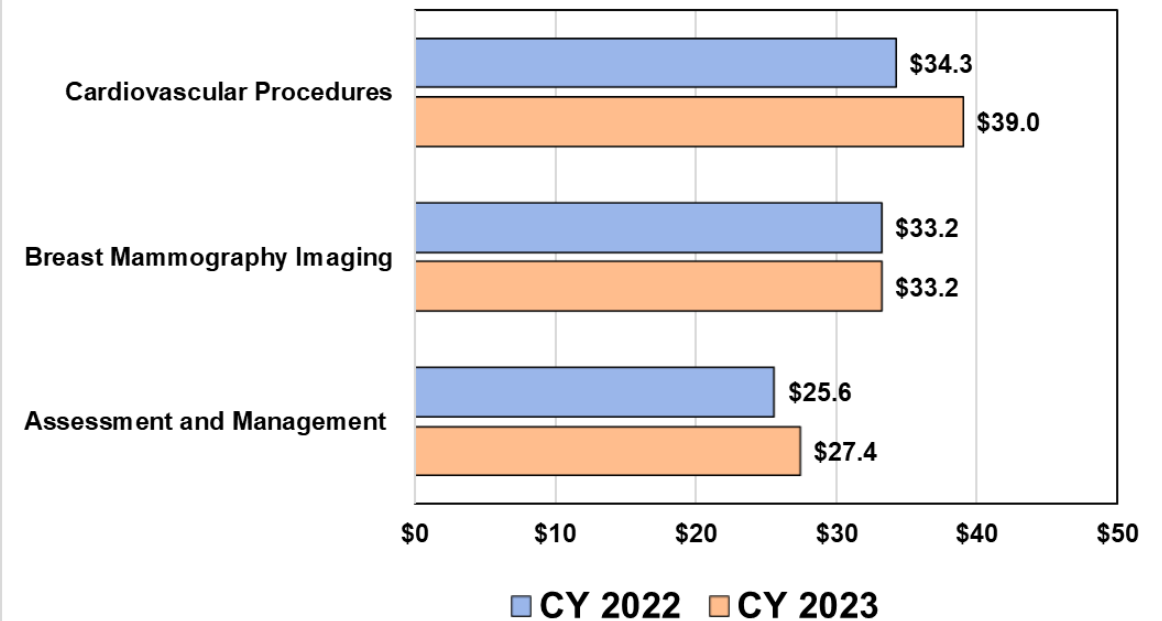
Top 3 Outpatient Procedure Categories by Net Revenue for On and Off Campus CY 2022 – 2023

The top 3 procedure categories accounted for about 17% of both on campus and off campus 2023 net revenue

**On Campus Top Three Facility Fee Revenue by CPT Category
(\$ in millions)**



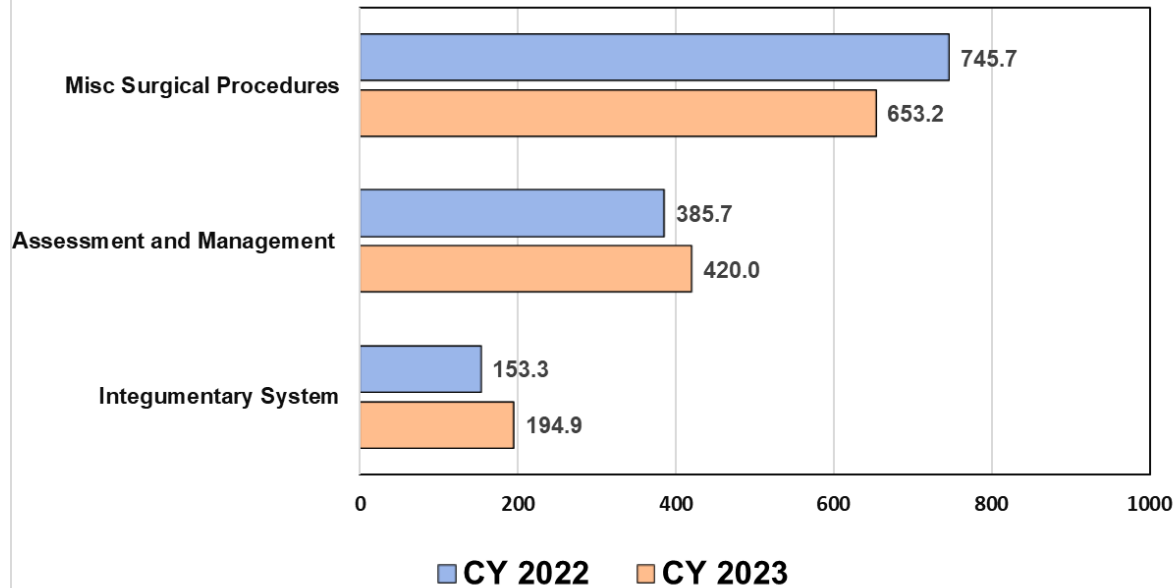
**Off Campus Top Three Facility Fee Revenue by CPT Category
(\$ in millions)**



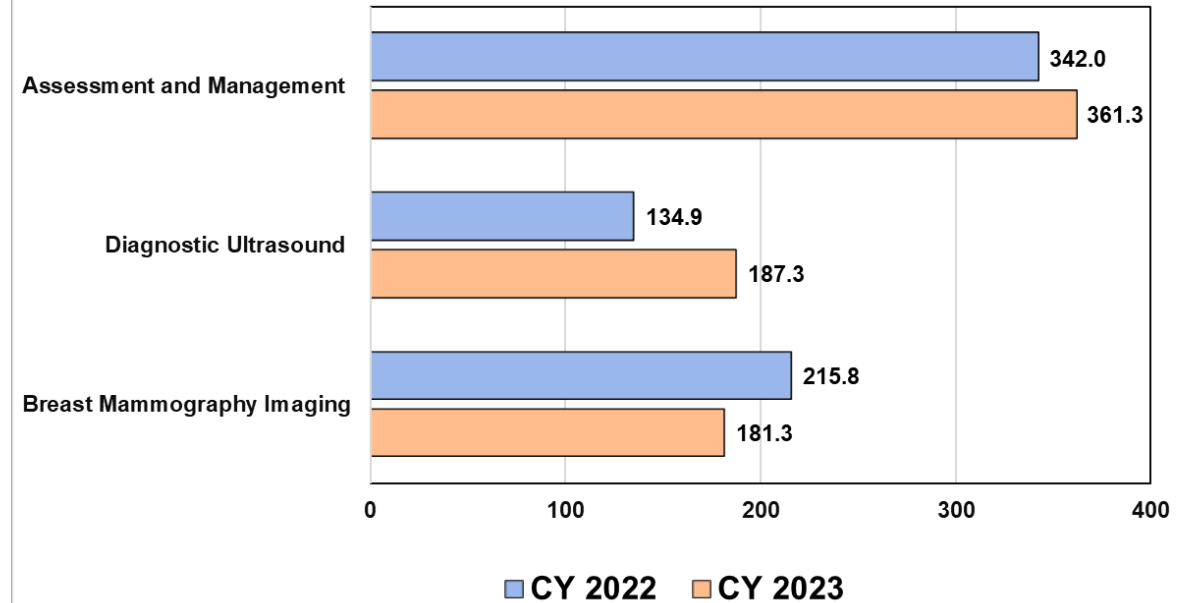
Top 3 Outpatient Procedure Categories by Visits for On and Off Campus CY 2022 – 2023

The top 3 procedure categories accounted for about 72% of on campus and 53% of off campus 2023 visits

On Campus Top Three Facility Fee Visits by CPT Category
(in thousands)

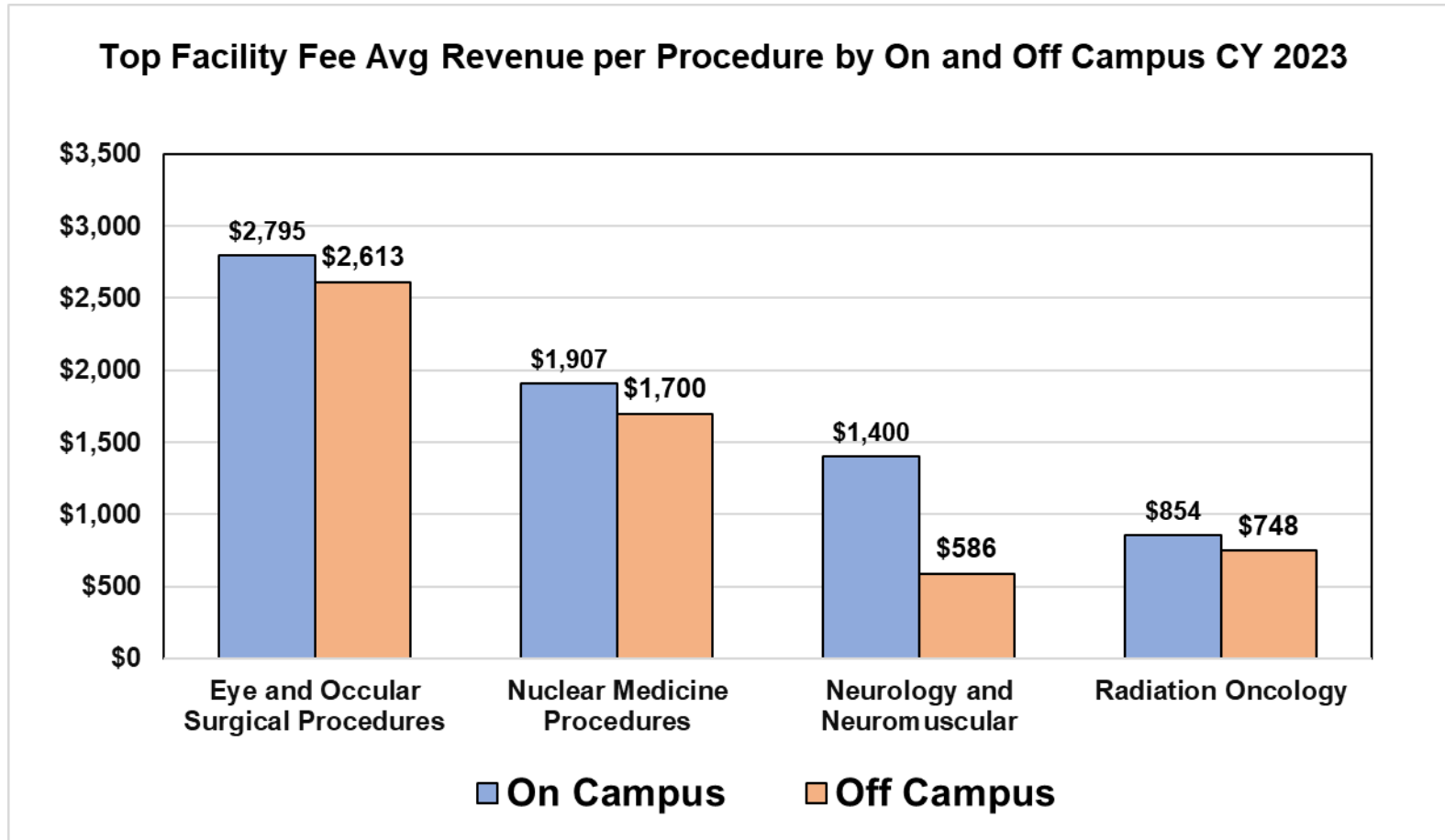


Off Campus Top Three Facility Fee Visits by CPT Category
(in thousands)



Top Outpatient Procedure Categories by Average Net Revenue per Procedure for On and Off Campus CY 2023

For the highest cost procedures, facility fee charges were higher on campus than off campus



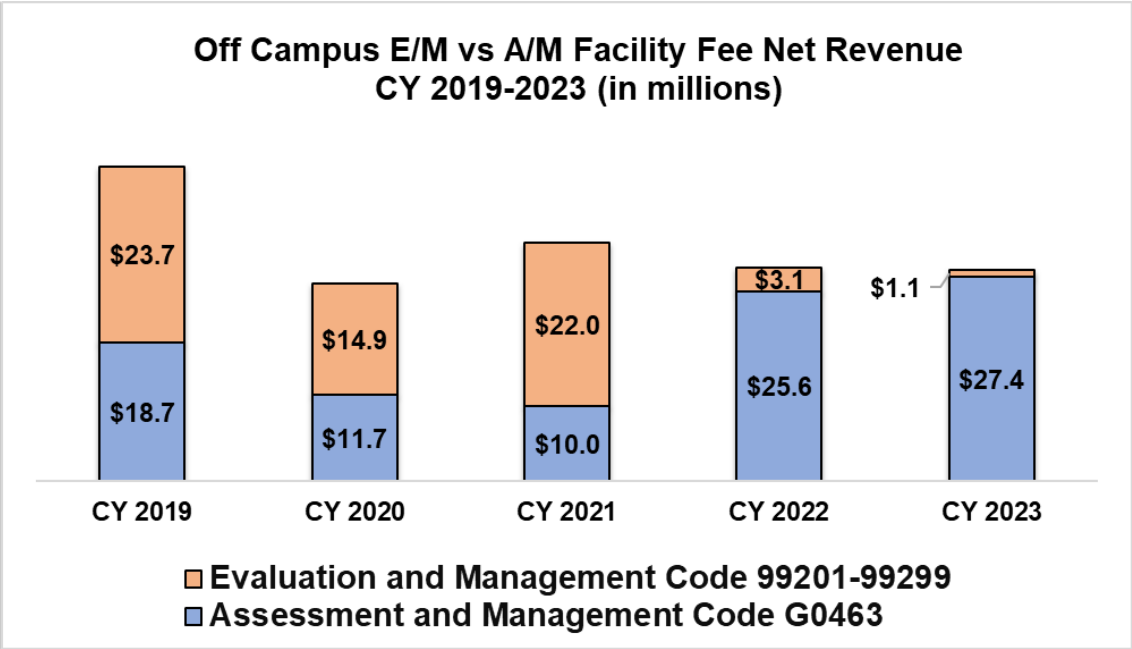
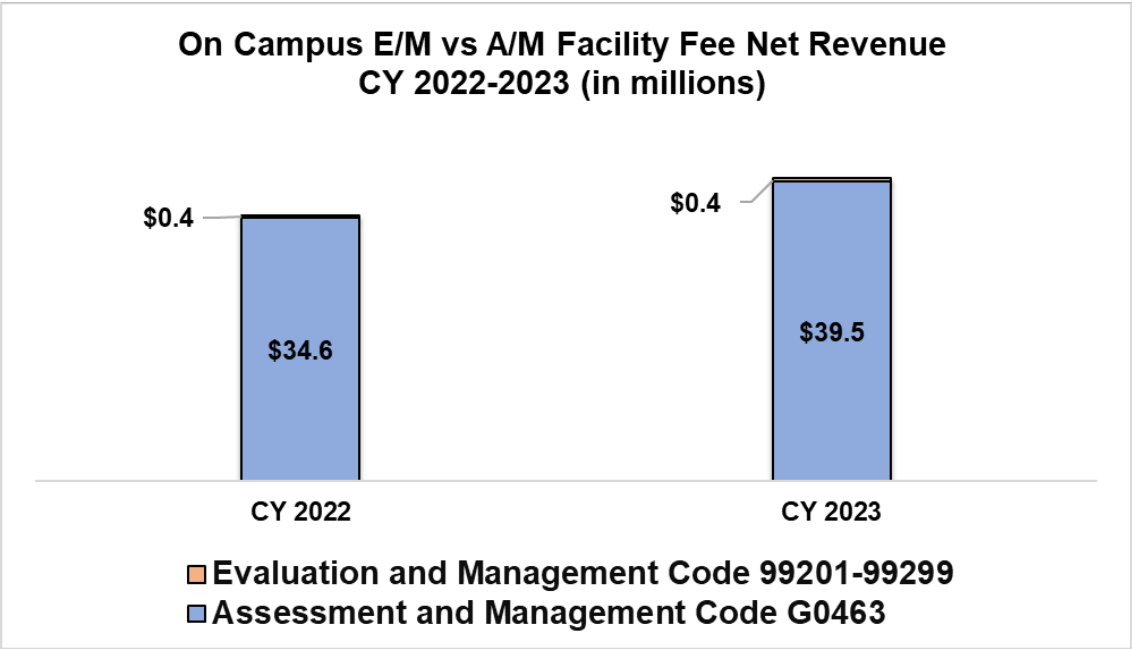
Facility Fee Assessment & Management and Evaluation & Management Statutes

1. **Prior to October 1, 2022** – E&M facility fee charges not allowed off campus, except at freestanding ED (6 locations), or at other locations with unexpired current contracts.
2. **Effective October 1, 2022** – A&M facility fee charges also not allowed off campus, except at except at freestanding ED, or at other locations with unexpired current contracts.
3. **Effective July 1, 2024** – E&M and A&M facility fee charges not allowed on campus or off campus, except at:
 - *On campus or freestanding emergency department;*
 - *On campus observation stays;*
 - *On campus wound care, orthopedics, anticoagulation, oncology, obstetrics, and solid organ transplant services*

Public Act No. 23-171 §9

Outpatient A&M and E&M Facility Fee On and Off Campus

In 2023, approximately 70% of off-campus A&M fees were for freestanding ED* and allowed by the statute



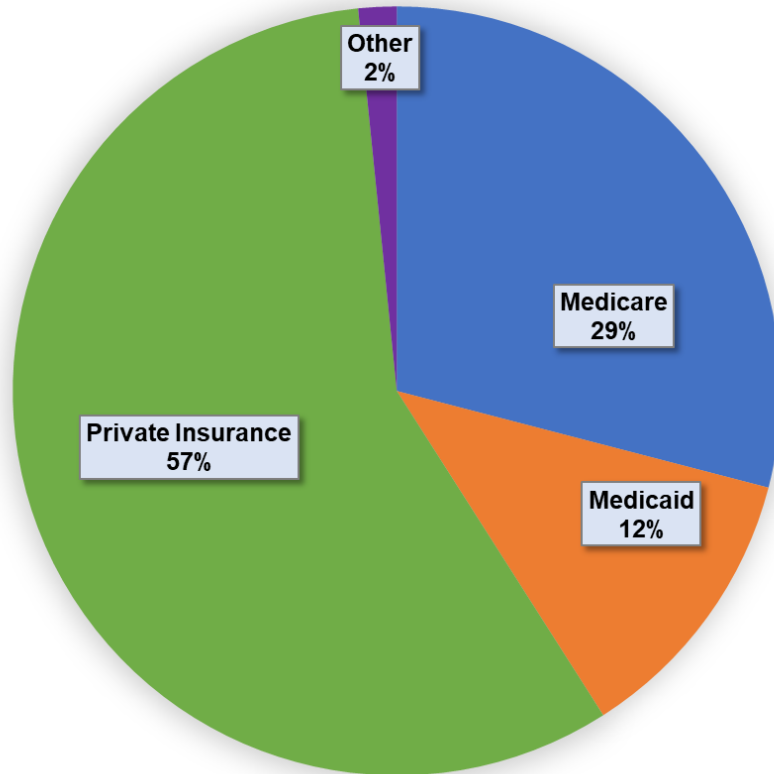
* Backus Hospital, Hungerford Hospital, Lawrence + Memorial Hospital, Middlesex Hospital (2), Yale New Haven Hospital

Increase in A/M & E/M net revenue may be due to the six freestanding ED which are exempt from the prohibition. Assessment and Management is hospital outpatient clinic visit for assessment of a patient. (HCPCS code G0463) Evaluation and Management are visits and services that manage patient health (CPT codes 99201 - 99299)

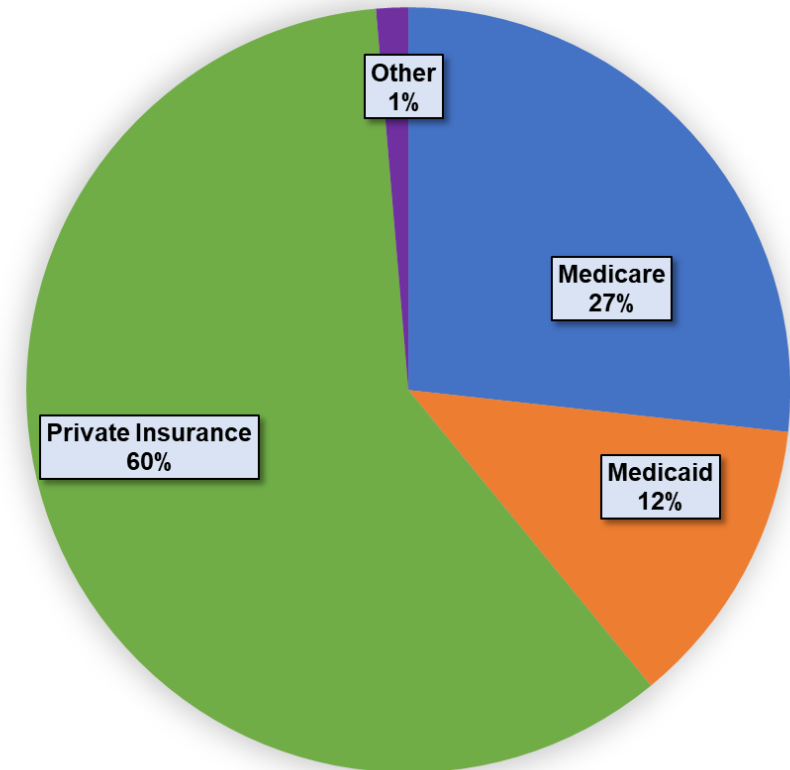
Distribution of Outpatient Facility Fee Payments by Payer Mix On and Off campus CY 2023

Private insurance pays the majority of both on and off campus facility fees

On Campus 2023 Statewide Facility Fee Payments Payer Mix

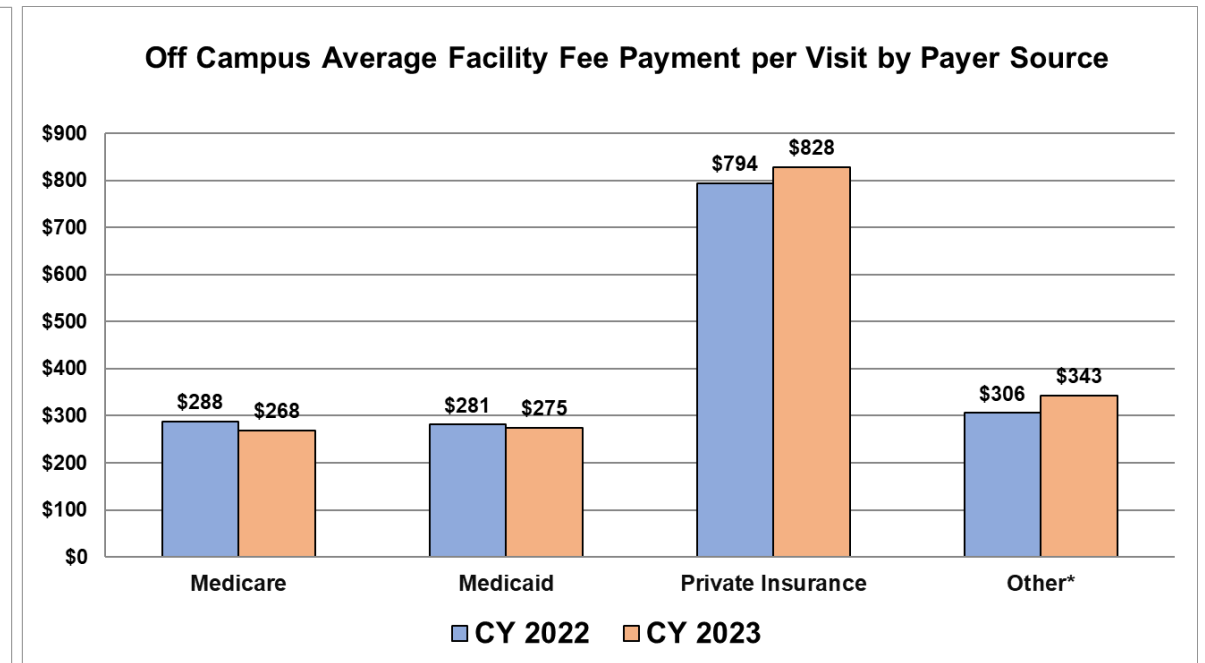
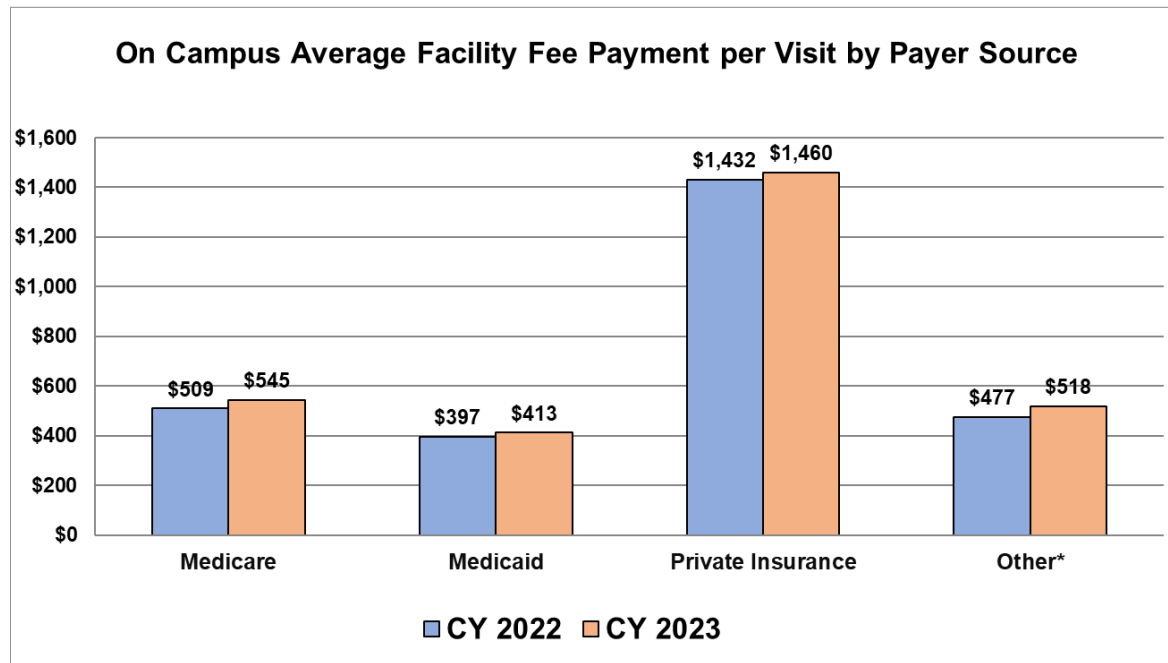


Off Campus 2023 Statewide Facility Fee Payments Payer Mix



Average Facility Fee Net Revenue per Outpatient Visit by Payer

Private insurance pays the highest average on and off campus facility fees, more than two to three times the amount of the other payers



* Other includes Tricare, Champus, Self Pay, Out of State Medicaid, Workers Compensation, and Hospice payers

Questions



- The hospital/health system data is publicly available and downloadable from the following link:

<https://portal.ct.gov/OHS/Health-Systems-Planning/Notifications/Facility-Fees>

Appendix

Outpatient Facility Fee Net Revenue and Visits by System and Hospital CY 2023

2023 Statewide Hospital Facility Fee Summary CY2023 ON and OFF Campus Net Revenue and Visits										
Hospital	Facility Fees Received - Net Revenue					Facility Fees Visits				
	CY2023 ON Campus Net Revenue	CY2023 OFF Campus Net Revenue	CY2023 ON Campus % Total Net Revenue	CY2023 OFF Campus % Total Net Revenue	CY2023 ON & OFF Campus Total Net Revenue	CY2023 ON Campus Visits	CY2023 OFF Campus Visits	CY2023 ON Campus % Total Visits	CY2023 OFF Campus % Total Visits	CY2023 ON & OFF Campus Total Visits
Hartford HealthCare Corporation										
Charlotte Hungerford Hospital	\$26,148,348	\$12,674,003	67%	33%	\$38,822,351	58,586	35,978	62%	38%	94,564
Hartford Hospital	\$200,207,797	\$48,630,360	80%	20%	\$248,838,157	185,509	71,964	72%	28%	257,473
Hospital of Central CT	\$74,562,114	\$27,543,600	73%	27%	\$102,105,713	83,384	79,710	51%	49%	163,094
MidState Medical Center	\$79,549,544	\$7,353,454	92%	8%	\$86,902,998	54,631	12,294	82%	18%	66,925
Saint Vincent's Medical Center	\$73,600,356	\$18,452,145	80%	20%	\$92,052,501	52,381	49,032	52%	48%	101,413
William W. Backus Hospital	\$82,499,792	\$14,218,312	85%	15%	\$96,718,104	83,412	75,490	52%	48%	158,902
Windham Memorial Hospital	\$25,229,094	\$473,883	98%	2%	\$25,702,977	36,854	3,290	92%	8%	40,144
HHC Total	\$561,797,045	\$129,345,757	81%	19%	\$691,142,801	554,757	327,758	63%	37%	882,515
Nuvance Health										
Danbury Hospital	\$143,035,386	\$12,540,914	92%	8%	\$155,576,300	132,317	35,270	79%	21%	167,587
Norwalk Hospital	\$44,568,389	\$12,674,938	78%	22%	\$57,243,327	22,168	34,628	39%	61%	56,796
Sharon Hospital*	\$11,557,501	\$0	100%	0%	\$11,557,501	14,147	0	100%	0%	14,147
Nuvance Total	\$199,161,276	\$25,215,852	89%	11%	\$224,377,128	168,632	69,898	71%	29%	238,530
Prospect CT, Inc.										
Manchester Memorial Hospital	\$12,100,807	\$2,711,316	82%	18%	\$14,812,123	12,675	18,561	41%	59%	31,236
Rockville General Hospital	\$571,982	\$7,071,201	7%	93%	\$7,643,183	793	27,829	3%	97%	28,622
Waterbury Hospital	\$13,826,987	\$7,188,356	66%	34%	\$21,015,343	41,344	8,057	84%	16%	49,401
Prospect Total	\$26,499,776	\$16,970,872	61%	39%	\$43,470,649	54,812	54,447	50%	50%	109,259
Trinity Health of New England										
Johnson Memorial Medical Center**	\$5,374,998	\$0	100%	0%	\$5,374,998	6,433	0	100%	0%	6,433
Saint Mary's Hospital	\$923,839	\$45,120,518	2%	98%	\$46,044,357	1,070	26,094	4%	96%	27,164
St. Francis Hosp. & Medical Ctr	\$2,856,322	\$270,365	91%	9%	\$3,126,687	19,593	1,153	94%	6%	20,746
Trinity Total	\$9,155,159	\$45,390,883	17%	83%	\$54,546,042	27,096	27,247	50%	50%	54,343
Yale New Haven Health										
Bridgeport Hospital	\$15,777,856	\$45,303,658	26%	74%	\$61,081,513	92,263	85,019	52%	48%	177,282
Greenwich Hospital	\$22,223,478	\$21,633,042	51%	49%	\$43,856,521	65,697	31,269	68%	32%	96,966
Lawrence + Memorial Hospital	\$21,865,283	\$28,244,725	44%	56%	\$50,110,008	51,240	57,550	47%	53%	108,790
Yale New Haven Hospital	\$132,724,563	\$120,584,124	52%	48%	\$253,308,686	329,631	397,880	45%	55%	727,511
YNHHS Total	\$192,591,180	\$215,765,548	47%	53%	\$408,356,728	538,831	571,718	49%	51%	1,110,549
Single / Specialty Hospitals										
Bristol Hospital	\$30,316,061	\$898,373	97%	3%	\$31,214,434	67,827	13,084	84%	16%	80,911
CT Children's Medical Center	\$33,635,902	\$18,320,386	65%	35%	\$51,956,288	44,325	31,643	58%	42%	75,968
Day Kimball Hospital	\$11,800,934	\$582,482	95%	5%	\$12,383,416	38,127	2,703	93%	7%	40,830
Griffin Hospital	\$49,949,858	\$6,004,265	89%	11%	\$55,954,123	52,463	19,692	73%	27%	72,155
Hospital for Special Care	\$500,195	\$187,915	73%	27%	\$688,109	4,540	1,947	70%	30%	6,487
John Dempsey Hospital	\$163,625,139	\$9,899,178	94%	6%	\$173,524,317	153,679	47,050	77%	23%	200,729
Middlesex Hospital	\$29,171,485	\$46,999,033	38%	62%	\$76,170,518	20,220	77,335	21%	79%	97,555
Stamford Hospital	\$83,982,978	\$95,483,880	47%	53%	\$179,466,859	46,658	131,873	26%	74%	178,531
Single / Specialty Hospitals Total	\$402,982,552	\$178,375,512	69%	31%	\$581,358,064	427,839	325,327	57%	43%	753,166
Statewide Total	\$1,392,186,989	\$611,064,423	69%	31%	\$2,003,251,412	1,771,967	1,376,395	56%	44%	3,148,362
Source: CT Office of Health Strategy Facility Fee Filing Prior to the CY2022 submission, reporting was inconsistent among hospitals and health systems. Also, some reported information excluding medical services classified as hospital technical fees e.g. radiology exams. OHS worked with the Connecticut Hospital Association to ensure consistent and complete data from hospitals and health systems. This effort resulted in higher net revenues and visit in CY2022 compared to CY 2021 reporting. *CY2022 & CY2023 Vassar Health CT dba Sharon Hospital- Only had On campus and no off campus Facility Fees **CY2023 Johnson Memorial Hospital- Only had On campus and no Off campus Facility Fees *Johnson Memorial Hospital has no Off Campus facility fees as part of a restructuring of business early last year (2023)										