

REFERENCE TITLE: facility fees; prohibition

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2561

Introduced by
Representatives Schwiebert: Contreras P, Crews, Gutierrez, Hernandez A,
Quiñonez, Seaman, Terech; Senators Hatathlie, Sundareshan

AN ACT

AMENDING TITLE 36, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY
ADDING SECTION 36-434.02; RELATING TO HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 36, chapter 4, article 2, Arizona Revised
3 Statutes, is amended by adding section 36-434.02, to read:

4 36-434.02. Outpatient treatment centers; facility fees;
5 prohibition; violations; civil penalties;
6 reporting; definition

7 A. BEGINNING NOVEMBER 1, 2024, AN OUTPATIENT TREATMENT CENTER THAT
8 HAS THE SAME DIRECT OWNER OR INDIRECT OWNER AS A HOSPITAL LICENSED
9 PURSUANT TO THIS CHAPTER MAY NOT CHARGE A FACILITY FEE UNLESS THE PAYOR IS
10 MEDICARE AND THE FACILITY FEE IS A REIMBURSABLE CHARGE.

11 B. THE DIRECTOR MAY ASSESS CIVIL PENALTIES PURSUANT TO SECTION
12 36-431.01 FOR ANY VIOLATION OF THIS SECTION IN AN AMOUNT NOT TO EXCEED
13 \$5,000 PER VIOLATION. EACH FACILITY FEE CHARGED IS CONSIDERED A SEPARATE
14 VIOLATION OF THIS SECTION. CIVIL PENALTIES THAT ARE COLLECTED PURSUANT TO
15 THIS SECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147,
16 IN THE HEALTH SERVICES LICENSING FUND ESTABLISHED BY SECTION 36-414 AND BE
17 USED FOR INSPECTIONS AND ENFORCEMENT OF HEALTH CARE INSTITUTIONS.

18 C. ON OR BEFORE DECEMBER 1, 2024, EACH OUTPATIENT TREATMENT CENTER
19 THAT HAS THE SAME DIRECT OWNER OR INDIRECT OWNER AS A HOSPITAL LICENSED
20 PURSUANT TO THIS CHAPTER AND THAT CHARGED A FACILITY FEE BEFORE THE
21 EFFECTIVE DATE OF THIS SECTION SHALL REPORT TO THE DEPARTMENT ALL DATA ON
22 THE FACILITY FEES THAT WERE CHARGED AND BILLED IN THE PRECEDING TWO YEARS
23 OR SINCE THE INCEPTION OF THE FACILITY FEES CHARGED BY THAT ENTITY,
24 WHICHEVER IS EARLIER. THE DATA REPORTED SHALL BE SUBMITTED TO THE
25 DEPARTMENT IN A DEPARTMENT-APPROVED FORMAT AND SHALL BE POSTED ON THE
26 DEPARTMENT'S PUBLIC WEBSITE. THE REPORT SHALL INCLUDE AT LEAST THE
27 FOLLOWING:

28 1. ALL NET PATIENT REVENUE AND THE TOTAL NUMBER OF PAID CLAIMS FROM
29 FACILITY FEES FOR THE FOLLOWING PAYORS:

30 (a) MEDICARE.

31 (b) THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

32 (c) COMMERCIAL INSURANCE, INCLUDING INPATIENT SERVICES FROM
33 FACILITY FEES PROVIDED TO PATIENTS PARTICIPATING IN A FULLY FUNDED HEALTH
34 INSURANCE PLAN OR A SELF-FUNDED HEALTH INSURANCE PLAN.

35 (d) WORKERS' COMPENSATION INSURANCE.

36 (e) SELF PAY.

37 (f) ANY OTHER CATEGORY OF PAYOR.

38 2. THE TOTAL NET PATIENT REVENUE AND TOTAL NUMBER OF PAID CLAIMS
39 FROM FACILITY FEES.

40 D. FOR THE PURPOSES OF THIS SECTION, "FACILITY FEE" MEANS ANY FEE
41 THAT AN OUTPATIENT TREATMENT CENTER CHARGES OR BILLS FOR OUTPATIENT
42 SERVICES AND THAT IS BOTH:

43 1. INTENDED TO COMPENSATE THE CHARGING ENTITY FOR ITS OPERATIONAL
44 EXPENSES.

45 2. SEPARATE AND DISTINCT FROM A PROFESSIONAL FEE CHARGED OR BILLED
46 BY A HEALTH CARE PROVIDER FOR PROFESSIONAL HEALTH CARE SERVICES.