



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1431

Introduced 1/28/2025, by Rep. Maurice A. West, II

SYNOPSIS AS INTRODUCED:

New Act
815 ILCS 505/2HHHH new

Creates the Health Care Facility Fee Transparency Act. Sets forth provisions concerning notice requirements for a hospital or health system that charges a facility fee using a current procedural terminology evaluation code or assessment and management code for outpatient services provided at a hospital-based facility where a professional fee is also expected to be charged. Provides notice requirements for hospital-based facilities created or acquired through a business transaction. Establishes limitations on facility fees. Sets forth provisions concerning facility fee billing statements, reporting of facility fees charged by each hospital and health system, and enforcement of the Act by the Department of Public Health. Amends the Consumer Fraud and Deceptive Business Practices Act. Provides that it is an unlawful practice if, from the date of the transaction, a hospital, health system, or hospital-based facility does not wait at least 30 days after the written notice has been mailed to the patient or a copy of the notice has been filed with the Department of Public Health to collect a facility fee for services provided at a hospital-based facility.

LRB104 06839 BAB 16875 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Health
5 Care Facility Fee Transparency Act.

6 Section 5. Definitions. As used in this Act:

7 "Affiliated provider" means a provider who is (1) employed
8 by a hospital or health system; (2) under a professional
9 services agreement with a hospital or health system that
10 permits the hospital or health system to bill on behalf of the
11 provider; or (3) a clinical faculty member of a medical school
12 that is affiliated with a hospital or health system in a manner
13 that permits the hospital or health system to bill on behalf of
14 the clinical faculty member.

15 "Campus" means (1) the physical area immediately adjacent
16 to a hospital's main buildings and other areas and structures
17 that are not strictly contiguous to the main buildings but are
18 located within 250 yards of the main buildings; or (2) any
19 other area that has been determined on an individual basis by
20 the Department of Public Health, the Department of Human
21 Services, or other State agency to be a part of a hospital's
22 campus.

23 "Facility fee" means any fee charged or billed by a

1 hospital or health system for outpatient services provided in
2 a hospital-based facility that is: (1) intended to compensate
3 the hospital or health system for the operational expenses of
4 the hospital or health system; and (2) separate and distinct
5 from a professional fee.

6 "Freestanding emergency department" means a freestanding
7 facility that (1) is structurally separate and distinct from a
8 hospital; (2) provides emergency care; (3) is a department of
9 a hospital licensed under the Hospital Licensing Act; and (4)
10 has been issued a certificate of need to operate as a
11 freestanding emergency department by the Health Facilities and
12 Services Review Board by showing the need for such a
13 department in the geographic area where the facility is
14 situated.

15 "Health care provider" means an individual, entity,
16 corporation, person, or organization, whether for-profit or
17 not-for-profit, that furnishes bills or is paid for health
18 care service delivery in the normal course of business,
19 including, but not limited to, a health system, a hospital, a
20 hospital-based facility, a freestanding emergency department,
21 and an urgent care center.

22 "Health system" means (1) a parent corporation of one or
23 more hospitals and any entity affiliated with such parent
24 corporation through ownership, governance, membership, or
25 other means; or (2) a hospital and any entity affiliated with
26 the hospital through ownership, governance, membership, or

1 other means.

2 "Hospital" means an institution, place, building, or
3 agency located in this State that is licensed as a general
4 acute hospital by the Department of Public Health under the
5 Hospital Licensing Act, whether public or private and whether
6 organized for-profit or not-for-profit.

7 "Hospital-based facility" means a facility that is owned
8 or operated, in whole or in part, by a hospital or health
9 system where hospital or professional medical services are
10 provided.

11 "Medicaid" means the federal medical assistance program
12 established under Title XIX of the Social Security Act.

13 "Observation" means services furnished by a hospital on
14 the hospital's campus, regardless of the length of stay,
15 including use of a bed and periodic monitoring by the
16 hospital's nursing or other staff, to evaluate an outpatient's
17 condition or determine the need for admission to the hospital
18 as an inpatient.

19 "Payer mix" means the proportion of different sources of
20 payment received by a hospital or health system, including,
21 but not limited to, Medicare, Medicaid, other
22 government-provided insurance, private insurance, and self-pay
23 patients.

24 "Provider" means an individual, entity, corporation, or
25 health care provider, whether for-profit or not-for-profit,
26 whose primary purpose is to provide professional medical

1 services.

2 Section 10. Facility fee disclosure.

3 (a) If a hospital or health system charges a facility fee
4 using a current procedural terminology evaluation (CPT E/M)
5 code or assessment and management (CPT A/M) code for
6 outpatient services provided at a hospital-based facility
7 where a professional fee is also expected to be charged, the
8 hospital or health system shall provide the patient with a
9 written notice that includes the following information:

10 (1) that the hospital-based facility is part of a
11 hospital or health system, and that the hospital or health
12 system charges a facility fee that is in addition to and
13 separate from the professional fee charged by the
14 provider;

15 (2) (A) the amount of the patient's potential financial
16 liability, including any facility fee likely to be
17 charged, and, if professional medical services are
18 provided by an affiliate provider, any professional fee
19 likely to be charged or, if the exact type and extent of
20 the professional medical services needed are not known or
21 the terms of a patient's health insurance coverage are not
22 known with reasonable certainty, an estimate of the
23 patient's financial liability based on typical or average
24 charges for visits to the hospital-based facility,
25 including the facility fee; (B) a statement that the

1 patient's actual financial liability will depend on the
2 professional medical services actually provided to the
3 patient; (C) an explanation that the patient may incur
4 financial liability that is greater than the patient would
5 incur if the professional medical services were not
6 provided by a hospital-based facility; and (D) a telephone
7 number the patient may call for additional information
8 regarding the patient's potential financial liability,
9 including an estimate of the facility fee likely to be
10 charged based on the scheduled professional medical
11 services; and

12 (3) that the hospital or health system may not collect
13 directly from the patient facility fees for services
14 without an inpatient stay component, and that a patient
15 covered by a health insurance policy should contact the
16 health insurer for additional information regarding the
17 hospital's or health system's charges and fees, including
18 the patient's potential financial liability, if any, for
19 those charges and fees.

20 (c) If a hospital or health system charges a facility fee
21 without using a current procedural terminology evaluation and
22 management (CPT E/M) code for outpatient services provided at
23 a hospital-based facility located outside of the hospital
24 campus, the hospital or health system shall provide the
25 patient with a written notice that includes the following
26 information:

1 (1) that the hospital-based facility is part of a
2 hospital or health system, and that the hospital or health
3 system charges a facility fee that may be in addition to
4 and separate from the professional fee charged by a
5 provider;

6 (2) (A) a statement that the patient's actual financial
7 liability will depend on the professional medical services
8 actually provided to the patient; (B) an explanation that
9 the patient may incur financial liability that is greater
10 than the patient would incur if the hospital-based
11 facility was not hospital-based; and (C) a telephone
12 number the patient may call for additional information
13 regarding the patient's potential financial liability,
14 including an estimate of the facility fee likely to be
15 charged based on the scheduled professional medical
16 services; and

17 (3) that the hospital or health system may not collect
18 directly from the patient facility fees for services
19 without an inpatient stay component, and that a patient
20 covered by a health insurance policy should contact the
21 health insurer for additional information regarding the
22 hospital's or health system's charges and fees, including
23 the patient's potential financial liability, if any, for
24 those charges and fees.

25 (d) The notices required by this Section shall be in plain
26 language and in a form that may be reasonably understood by a

1 patient who does not possess special knowledge regarding
2 hospital or health system facility fee charges. Beginning
3 January 1, 2027, the written notices shall include tag lines
4 in at least the most common 15 languages spoken in the State,
5 indicating that the notice is available in each of those
6 languages.

7 (e) Hospital-based facilities shall prominently display
8 the written notices required by this Section in locations that
9 are readily accessible to and visible by patients, including
10 patient waiting or appointment check-in areas, stating: (1)
11 that the hospital-based facility is part of a hospital or
12 health system; (2) the name of the hospital or health system;
13 and (3) that, if the hospital-based facility charges a
14 facility fee, the patient may incur financial liability
15 greater than the patient would incur if the hospital-based
16 facility fee was not hospital-based. Beginning January 1,
17 2026, the written notices shall include tag lines in at least
18 the most common 15 languages spoken in the State indicating
19 the notice is available in each of those most common 15
20 languages. No later than July 1, 2026, and annually
21 thereafter, each hospital-based facility shall submit a copy
22 of the written notice required by this subsection to the
23 Department of Public Health.

24 Section 15. Timing of notice.

25 (a) For nonemergency care, if a patient's appointment is

1 scheduled to occur 10 or more days after the appointment is
2 made, written notice shall be sent to the patient by
3 first-class mail, encrypted email, or a secure patient
4 Internet portal no fewer than 3 days after the appointment is
5 made. If an appointment is scheduled to occur fewer than 10
6 days after the appointment is made or if the patient arrives
7 without an appointment, notice shall be hand-delivered to the
8 patient when the patient arrives at the hospital-based
9 facility.

10 (b) For emergency care, written notice shall be provided
11 to the patient as soon as practicable after the patient is
12 stabilized in accordance with the federal Emergency Medical
13 Treatment and Active Labor Act, 42 U.S.C. 1395dd, or is
14 determined not to have an emergency medical condition and
15 before the patient leaves the hospital-based facility. If the
16 patient is unconscious, under great duress, or for any other
17 reason unable to read the notice and understand and act on the
18 patient's rights, the notice shall be provided to the
19 patient's representative as soon as practicable.

20 Section 20. Proactive notice.

21 (a) A hospital-based facility shall clearly hold itself
22 out to the public and payers as being hospital-based,
23 including, at minimum, by stating the name of the hospital or
24 health system in its signage, marketing materials, websites,
25 and stationery.

1 (b) A hospital-based facility, when scheduling services
2 for which a facility fee may be charged, shall inform the
3 patient: (1) that the hospital-based facility is part of a
4 hospital or health system; (2) of the name of the hospital or
5 health system; (3) that the hospital or health system may
6 charge a facility fee in addition to and separate from the
7 professional fee charged by the provider; and (4) of the
8 telephone number the patient may call for additional
9 information regarding the patient's potential financial
10 liability.

11 Section 25. Notice of establishment of hospital-based
12 facility by purchase.

13 (a) If any merger, acquisition, or similar business
14 transaction results in the establishment of a hospital-based
15 facility at which facility fees may be billed, where such a
16 hospital-based facility did not previously exist, the
17 purchaser in the transaction shall, no later than 30 days
18 after the transaction, provide written notice by first-class
19 mail of the transaction to each patient served within the 3
20 years preceding the date of the transaction by the health care
21 facility that has been purchased or acquired as part of the
22 transaction.

23 (b) The notice under this Section shall include the
24 following information:

25 (1) A statement that the health care facility is now a

1 hospital-based facility and is part of a hospital or
2 health system, the health care facility's full legal and
3 business name, and the date of the facility's acquisition
4 by a hospital or health system.

5 (2) The name, business address, and phone number of
6 the hospital or health system that is the purchaser of the
7 health care facility.

8 (3) A statement that the hospital-based facility
9 bills, or is likely to bill, patients a facility fee that
10 may be in addition to and separate from any professional
11 fee billed by a health care provider at the hospital-based
12 facility.

13 (4) A statement that the patient's actual financial
14 liability will depend on the professional medical services
15 actually provided to the patient, and an explanation that
16 the patient may incur financial liability that is greater
17 than the patient would incur if the hospital-based
18 facility were not a hospital-based facility.

19 (5) The estimated amount or range of amounts the
20 hospital-based facility may bill for a facility fee or an
21 example of the average facility fee billed at the
22 hospital-based facility for the most common services
23 provided at the hospital-based facility.

24 (6) A statement that, prior to seeking services at the
25 hospital-based facility, a patient covered by a health
26 insurance policy should contact the patient's health

1 insurer for additional information regarding the
2 hospital-based facility fees, including the patient's
3 potential and financial liability, if any, for those
4 hospital-based facility fees.

5 (c) A copy of the written notice provided to patients in
6 accordance with this Section shall be filed with the
7 Department of Insurance. A link to copies of these written
8 notices shall be conspicuously available on the Department of
9 Insurance's website.

10 (d) A hospital, health system, or hospital-based facility
11 shall not collect a facility fee for services provided at a
12 hospital-based facility that is subject to this Section from
13 the date of the transaction until at least 30 days after the
14 written notice required pursuant to this Section is mailed to
15 the patient or a copy of the notice is filed with the
16 Department of Public Health, whichever is later. A violation
17 of this subsection is a deceptive business practice under the
18 Consumer Fraud and Deceptive Business Practices Act.

19 (e) Not later than July 1, 2026, and annually thereafter,
20 each hospital-based facility that was the subject of a
21 transaction, as described in subsection (a) of this Section,
22 during the preceding calendar year shall report to the
23 Department of Insurance the number of patients served by the
24 hospital-based facility in the preceding 3 years.

25 Section 30. Limitations on facility fees.

1 (a) Notwithstanding any other provision of this Act or
2 law, on and after January 1, 2026, no health care provider or
3 health system may charge, bill, or otherwise collect a
4 facility fee directly from a patient who is not covered by the
5 patient's insurance for:

6 (1) any preventive care services that are provided in
7 an outpatient setting;

8 (2) any clinic visits. As used in this paragraph (2),
9 "clinic" means any outpatient program conducted by a
10 locally based not-for-profit, or by a local board of
11 health whose health department is recognized by, and has a
12 designation status established by, the Department of
13 Public Health and complies with the Public Health Standing
14 Orders Act; or

15 (3) any other services that do not include an
16 inpatient stay component.

17 (b) Notwithstanding any other provision of this Act or
18 other law, on or after January 1, 2026, no hospital, health
19 system, or hospital-based facility shall collect a facility
20 fee for outpatient health care services that use a current
21 procedural terminology evaluation and management (CPT E/M)
22 code or assessment and management (CPT A/M) code and are
23 provided at a hospital-based facility located off-site from a
24 hospital campus received by a patient who is uninsured of more
25 than the Medicare rate.

26 (c) Notwithstanding any other provision of this Act or

1 other law, on or after January 1, 2026, no hospital or health
2 system shall collect a facility fee for outpatient health care
3 services that use a current procedural terminology evaluation
4 and management (CPT E/M) code or assessment and management
5 (CPT A/M) code and are provided on the hospital campus. This
6 subsection does not apply to (1) an emergency department
7 located on a hospital campus or (2) observation stays on a
8 hospital campus and current procedural terminology evaluation
9 and management (CPT E/M) code and current procedural
10 terminology assessment and management (CPT A/M) code when
11 billed for the following services: (i) wound care, (ii)
12 orthopedics, (iii) anticoagulation, (iv) oncology, (v)
13 obstetrics, and (vi) solid organ transplant.

14 (d) Nothing in this Section prohibits a health care
15 provider from charging a facility fee for:

16 (1) health care services provided in an inpatient
17 setting; or

18 (2) emergency services provided at a licensed
19 freestanding emergency department.

20 (e) Nothing in this Section prohibits a health provider or
21 health system from charging, billing, or collecting a facility
22 fee from a patient's insurer pursuant to an agreement between
23 the health care provider or health system and the carrier, or
24 as required by law.

25 (f) Notwithstanding subsections (b) and (c) of this
26 Section, in circumstances in which an insurance contract that

1 was in effect on January 1, 2026 provides reimbursement for
2 facility fees prohibited under subsection (b) of this Section
3 and in circumstances in which an insurance contract that is in
4 effect on January 1, 2026 provides reimbursement for facility
5 fees prohibited under subsection (c) of this Section, a
6 hospital or health system may continue to collect
7 reimbursement from the health insurer for those facility fees
8 until the applicable date of expiration, renewal, or amendment
9 of the insurance contract, whichever date is earliest.

10 Section 35. Billing statements.

11 (a) Each initial billing statement that includes a
12 facility fee shall:

13 (1) clearly identify the fee as a facility fee that is
14 billed in addition to, or separately from, any
15 professional fee billed by the provider;

16 (2) provide the corresponding Medicare facility fee
17 reimbursement rate for the same service as a comparison
18 or, if there is no corresponding Medicare facility fee for
19 the service:

20 (A) the approximate amount Medicare would have
21 paid the hospital for the facility fee on the billing
22 statement; or

23 (B) the percentage of the hospital's charges that
24 Medicare would have paid the hospital for the facility
25 fee;

1 (3) include a statement that the facility fee is
2 intended to cover the hospital's or health system's
3 operational expenses;

4 (4) inform the patient that the patient's financial
5 liability may have been less if the services had been
6 provided at a facility not owned or operated by the
7 hospital or health system; and

8 (5) include written notice of the patient's right to
9 request a reduction in the facility fee or any other
10 portion of the bill and a telephone number that the
11 patient may use to request a reduction without regard to
12 whether the patient qualifies for, or is likely to be
13 granted, any reduction.

14 (b) Not later than July 1, 2026, and annually thereafter,
15 each hospital, health system, and hospital-based facility
16 shall submit to the Department of Public Health a sample of a
17 billing statement issued by the hospital, health system, or
18 hospital-based facility that complies with this Section and
19 that represents the format of billing statements received by
20 patients. The billing statement shall not contain patient
21 identifying information.

22 Section 40. Reporting.

23 (a) Each hospital and health system shall report not later
24 than July 1, 2026, and annually thereafter, to the Director of
25 Public Health, on a form prescribed by the Department of

1 Public Health, concerning facility fees charged or billed
2 during the preceding calendar year. The report shall include,
3 but need not be limited to:

4 (1) the name and address of each facility owned or
5 operated by the hospital or health system that provides
6 services for which a facility fee is charged or billed,
7 and an indication as to whether each facility is located
8 on or outside of the hospital or health system campus;

9 (2) the number of patient visits at each facility for
10 which a facility fee was charged or billed;

11 (3) the number, total amount, and range of allowable
12 facility fees paid at each facility disaggregated by payer
13 mix;

14 (4) for each facility, the total amount of facility
15 fees charged and the total amount of revenue received by
16 the hospital or health system derived from facility fees;

17 (5) the total amount of facility fees charged and the
18 total amount of revenue received by the hospital or health
19 system from all facilities derived from facility fees;

20 (6) a description of the 10 procedures or services
21 that generated the greatest amount of facility fee gross
22 revenue, disaggregated by current procedural terminology
23 category (CPT) code for each such procedure or service,
24 and, for each such procedure or service, patient volume
25 and the total amount of gross and net revenue received by
26 the hospital or health system derived from facility fees,

1 disaggregated by on-campus and off-campus; and

2 (7) the top 10 procedures or services for which
3 facility fees are charged based on patient volume and the
4 gross and net revenue received by the hospital or health
5 system for each such procedure or service, disaggregated
6 by on-campus and off-campus.

7 (b) The Department of Public Health shall publish the
8 information reported pursuant to subsection (a) of this
9 Section or post a link to the information on the Department of
10 Public Health's website.

11 (c) As used in this Section, "facility" means a
12 hospital-based facility that is located on a hospital campus
13 or outside a hospital campus.

14 Section 45. Enforcement.

15 (a) On and after January 1, 2026, if the Director of Public
16 Health receives information and has a reasonable belief, after
17 evaluating that information, that any hospital, health system,
18 or hospital-based facility charged facility fees, other than
19 through isolated clerical or electronic billing errors, in
20 violation of any provision of this Act or rule adopted under
21 this Act, the hospital, health system, or hospital-based
22 facility shall be subject to a civil penalty of up to \$1,000.
23 The Director of Public Health may issue a notice of violation
24 and civil penalty by first-class mail or personal service. The
25 notice shall include:

1 (1) a reference to the Section of the statutes, rule,
2 or Section of the rules alleged to have been violated;

3 (2) a short and plain language statement of the
4 matters asserted or charged;

5 (3) a description of the activity to cease;

6 (4) a statement of the amount of the civil penalty or
7 penalties that may be imposed;

8 (5) a statement concerning the right to a hearing; and

9 (6) a statement that the hospital, health system, or
10 hospital-based facility may, not later than 10 business
11 days after receipt of the notice, make a request for a
12 hearing on the matters asserted.

13 (b) The hospital, health system, or hospital-based
14 facility to whom notice is provided pursuant to subsection (a)
15 of this Section may, not later than 10 business days after
16 receipt of the notice, make written application to the
17 Department of Public Health to request a hearing to
18 demonstrate that the violation did not occur. The failure to
19 make a timely request for a hearing shall result in the
20 issuance of a cease and desist order or civil penalty. All
21 hearings held under this subsection shall be conducted in
22 accordance with the Illinois Administrative Procedure Act.

23 (c) Following any hearing pursuant to this Section, if the
24 Department of Public Health finds, by a preponderance of the
25 evidence, that the hospital, health system, or hospital-based
26 facility violated or is violating any provision of this Act,

1 any rule adopted under this Act, or any order issued by the
2 Department of Public Health, the Department of Public Health
3 shall issue a final cease and desist order in addition to any
4 civil penalty the Department of Public Health imposes.

5 Section 50. The Consumer Fraud and Deceptive Business
6 Practices Act is amended by adding Section 2HHHH as follows:

7 (815 ILCS 505/2HHHH new)

8 Sec. 2HHHH. Violations of the Health Care Facility Fee
9 Transparency Act. Any person who violates subsection (d) of
10 Section 25 of the Health Care Facility Fee Transparency Act
11 commits an unlawful practice within the meaning of this Act.