

What is a hospital-based clinic, and why is it different?

A **hospital-based clinic (HBC)**, also known as a “provider-based clinic,” is owned and operated by a hospital. It’s common for large health care systems like M Health Fairview, which owns and operates both hospitals and clinics, to operate HBCs. When you see a doctor or receive services at an HBC you’ll be billed as if you were in the hospital. (See other questions for additional details on what that means.) This is because the HBC is an extension of the hospital.

How is billing different for a hospital-based clinic?

The billing structure for hospital-based clinics (HBCs) is different from a stand-alone doctor’s office (where certain costs are bundled together). The fees for HBC services are separated into two parts. These may be billed separately, or shown separately on one billing statement. The two parts include:

1. **The hospital charges, or “facility fee.”** This includes the cost of nursing and other non-doctor medical staff, supplies, equipment, treatment rooms, and other building expenses. The facility fee applies to different kinds of services provided as part of an HBC visit, including tests and procedures.
2. **The professional charges, or “provider fee.”** This is for professional services provided by the doctor or other providers.

Health insurance plans and programs pay in different ways for services provided by HBCs. For more information on your plan, please ask your insurance company how they cover facility fees. Your insurance may or may not cover facility fees, or may cover them under the hospital benefits portion of the plan (rather than the physician benefits portion). These portions may have different patient responsibilities for payment. The patient may be responsible for paying a percentage of the bill (co-insurance) and/or meeting a deductible.

How much is the facility fee?

The amount that M Health Fairview charges for facility fees will depend on the length of the patient’s visit and the services received during the outpatient clinic visit. Visits that require expensive supplies or equipment will generally result in higher facility fees. For facility fees and other cost estimates, you can call the M Health Fairview cost of care team at 612-672-1048.

You can also get an online estimate of charges for your care at <https://mhealthfairview.org/billing/patient-billing-financial-services>. Go to the “Estimates” subsection, under the “Common Billing Topics” section. When using this online tool, hospital charges/facility fees will be shown as “Hospital Fees.”

The amount of the facility fee that a patient will be responsible for paying out of pocket depends on the patient’s health insurance coverage. Patients should contact their insurance company to determine their estimated financial responsibility for a facility fee, including applicable co-payments, co-insurance, and deductible amounts.

Will I pay more for services provided at a hospital-based clinic than I would at a freestanding clinic?

Depending on your health insurance plan, you may or may not have higher out-of-pocket costs when receiving care at a hospital-based clinic. Any amount you owe will be based on the specific services you receive and your insurance plan benefits.

We strongly encourage you to review your insurance benefits or contact your insurance provider first. By doing this, you'll know what your plan will cover and whether you'll need to pay out-of-pocket expenses for the facility fees, such as a deductible or co-insurance payment.

Example: Jorge has Insurance A, and he pays a \$25 office-visit co-pay to see a doctor. If he gets services at a hospital-based clinic, his insurance requires that he pays a deductible and/or co-insurance amount and the facility fee.

What should I ask my insurance company?

If you have private health insurance or secondary insurance, ask your insurance company:

- Does my plan cover hospital/facility charges in a hospital-based outpatient clinic (or a “provider-based clinic”)?
- What percentage of the charge is covered?
- If covered, how much will be applied to the deductible?
- Is there an additional amount I'll have to pay out of pocket, for any co-insurance responsibility?

How will I know if my visit is scheduled at a hospital-based clinic?

When you schedule your visit by phone, the scheduler will tell you if the clinic is a hospital-based clinic. Signs at the clinic will also identify the clinic as a department of a hospital. If you are unsure if you are visiting a hospital-based clinic or have questions, feel free to ask the scheduler or clinic staff.