



FACT SHEET | Center for A Healthy America

PROTECT PATIENTS FROM DISHONEST BILLING

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DISHONEST BILLING HARMS PATIENTS

What is Dishonest Billing?

Dishonest medical billing occurs when an off-campus physician practice within a hospital system falsely claims to be a hospital and adds a hospital “facility fee” to the bill. When a health care facility bills a patient’s insurer, it must report a federally required National Provider Identifier (NPI) number on the claim form to identify where the care took place. When a patient visits a physician office that is owned by a large hospital system, the system will often bill them using the NPI number of one of its hospitals and add an expensive facility fee to the patient’s bill.

Dishonest Billing Increases Prices for Families

Dishonest billing by hospital-owned physician offices can add hundreds or even thousands of dollars to a patient’s bill. In Ohio, one senior was charged a \$1,262 hospital facility fee for obtaining arthritis treatments in an outpatient clinic. In Colorado, a mother was charged an \$847 facility fee for a telehealth consultation for her son. Nationwide, hospital-owned clinics charge two to three times more than physician-owned clinics for chemotherapy, MRI scans, and drug infusions.

Dishonest Billing Is Increasingly Common as Hospitals Buy Physician Practices

The share of physician practices owned by hospital systems doubled from 14% to 28% between 2012 and 2024. By 2024, more than half of physicians worked directly for a hospital or at a physician practice owned by a hospital. Insurance premiums for individual coverage cost 12% more for the average person in areas where hospitals own most physician practices.

What Can Be Done: The Protect Patients from Dishonest Billing Act

The Protect Patients from Dishonest Billing Act will protect patients from dishonest billing by:

1. Prohibiting off-campus hospital-owned physician practices from adding a hospital facility fee to a patient’s bill.
2. Requiring on-campus hospital facilities to disclose to patients a good-faith estimate of the cost of the hospital facility fee they may charge before patients receive care.

3. Requiring hospital-owned physician offices and outpatient facilities to obtain a unique non-hospital NPI number to identify themselves when they bill health insurers.

NEXT STEPS

- If you are a state legislator or executive, a local official, or a responsible citizen wishing to raise this issue with lawmakers in your state, please visit afpius.com/DishonestBilling for a copy of the model Protect Patients from Dishonest Billing Act.
- The America First Policy Institute (AFPI) has state chapters across the country. Visit afpius.com/States to see if there is an existing chapter in your state working to introduce and pass this bill in your legislature, or become a leader and get connected to AFPI to coordinate action in your state capital.

