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HOUSE BILL 1616

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State of Washington

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2022 Regular Session

**By** Representatives Simmons, Cody, Bateman, Valdez, Davis, Macri, Slatter, Pollet, and Taylor; by request of Attorney General

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1 AN ACT Relating to the charity care act; and amending RCW  
2 70.170.020 and 70.170.060.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 70.170.020 and 2018 c 263 s 1 are each amended to  
5 read as follows:

6 As used in this chapter:

7 (1) "Department" means department of health.

8 (2) "Hospital" means any health care institution which is  
9 required to qualify for a license under RCW 70.41.020(~~(+7)~~) (8); or  
10 as a psychiatric hospital under chapter 71.12 RCW.

11 (3) "Secretary" means secretary of health.

12 (4) "Charity care" means medically necessary (~~hospital~~) health  
13 care rendered to indigent persons at a hospital or clinic affiliated  
14 with a hospital when third-party coverage, if any, has been  
15 exhausted, to the extent that the persons are unable to pay for the  
16 care or to pay deductibles or coinsurance amounts required by a  
17 third-party payer, as determined by the department.

18 (5) "Indigent persons" are those patients or their guarantors  
19 whose income is not more than 400 percent of the federal poverty  
20 standard, adjusted for family size.

1       (6) "Third-party coverage" means an obligation on the part of an  
2 insurance company, health care service contractor, health maintenance  
3 organization, group health plan, government program, tribal health  
4 benefits, or health care sharing ministry as defined in 26 U.S.C.  
5 Sec. 5000A to pay for the care of covered patients and services, and  
6 may include settlements, judgments, or awards actually received  
7 related to the negligent acts of others which have resulted in the  
8 medical condition for which the patient has received hospital health  
9 care service. The pendency of such settlements, judgments, or awards  
10 must not stay hospital obligations to consider an eligible patient  
11 for charity care.

12       ~~((6) "Sliding fee schedule" means a hospital-determined,~~  
13 ~~publicly available schedule of discounts to charges for persons~~  
14 ~~deemed eligible for charity care; such schedules shall be established~~  
15 ~~after consideration of guidelines developed by the department.))~~

16       (7) "Special studies" means studies which have not been funded  
17 through the department's biennial or other legislative  
18 appropriations.

19       **Sec. 2.** RCW 70.170.060 and 2018 c 263 s 2 are each amended to  
20 read as follows:

21       (1) No hospital or its medical staff shall adopt or maintain  
22 admission practices or policies which result in:

23       (a) A significant reduction in the proportion of patients who  
24 have no third-party coverage and who are unable to pay for hospital  
25 services;

26       (b) A significant reduction in the proportion of individuals  
27 admitted for inpatient hospital services for which payment is, or is  
28 likely to be, less than the anticipated charges for or costs of such  
29 services; or

30       (c) The refusal to admit patients who would be expected to  
31 require unusually costly or prolonged treatment for reasons other  
32 than those related to the appropriateness of the care available at  
33 the hospital.

34       (2) No hospital shall adopt or maintain practices or policies  
35 which would deny access to emergency care based on ability to pay. No  
36 hospital which maintains an emergency department shall transfer a  
37 patient with an emergency medical condition or who is in active labor  
38 unless the transfer is performed at the request of the patient or is  
39 due to the limited medical resources of the transferring hospital.

1 Hospitals must follow reasonable procedures in making transfers to  
2 other hospitals including confirmation of acceptance of the transfer  
3 by the receiving hospital.

4 (3) The department shall develop definitions by rule, as  
5 appropriate, for subsection (1) of this section and, with reference  
6 to federal requirements, subsection (2) of this section. The  
7 department shall monitor hospital compliance with subsections (1) and  
8 (2) of this section. The department shall report individual instances  
9 of possible noncompliance to the state attorney general or the  
10 appropriate federal agency.

11 (4) The department shall establish and maintain by rule,  
12 consistent with the definition of charity care in RCW 70.170.020, the  
13 following:

14 (a) Uniform procedures, data requirements, and criteria for  
15 identifying patients receiving charity care; and

16 (b) A definition of residual bad debt including reasonable and  
17 uniform standards for collection procedures to be used in efforts to  
18 collect the unpaid portions of hospital charges that are the  
19 patient's responsibility.

20 (5) For the purpose of providing charity care, each hospital  
21 shall develop, implement, and maintain a (~~charity care~~) policy  
22 which(~~, consistent with subsection (1) of this section,~~) shall  
23 enable (~~people below the federal poverty level~~) indigent persons  
24 access to (~~appropriate hospital-based medical services, and a~~  
25 ~~sliding fee schedule for determination of discounts from charges for~~  
26 ~~persons who qualify for such discounts by January 1, 1990. The~~  
27 ~~department shall develop specific guidelines to assist hospitals in~~  
28 ~~setting sliding fee schedules required by this section. All persons~~  
29 ~~with family income below one hundred percent of the federal poverty~~  
30 ~~standard shall be deemed charity care patients for the full amount of~~  
31 ~~hospital charges, except to the extent the patient has third-party~~  
32 ~~coverage for those~~) charity care. At a minimum, hospitals' charity  
33 care policies shall grant charity care per the following guidelines:

34 (a) All patients and their guarantors whose income is not more  
35 than 300 percent of the federal poverty standard, adjusted for family  
36 size, shall be deemed charity care patients for the full amount of  
37 their hospital charges;

38 (b) All patients and their guarantors whose income is between 301  
39 and 350 percent of the federal poverty standard, adjusted for family

1 size, shall be entitled to a 75 percent discount for the full amount  
2 of their hospital charges;

3 (c) All patients and their guarantors whose income is between 351  
4 percent and 400 percent of the federal poverty standard, adjusted for  
5 family size, shall be entitled to a 50 percent discount for the full  
6 amount of their hospital charges.

7 (6) Each hospital shall post and prominently display notice of  
8 charity care availability. Notice must be posted in all languages  
9 spoken by more than ten percent of the population of the hospital  
10 service area. Notice must be displayed in at least the following  
11 locations:

12 (a) Areas where patients are admitted or registered;

13 (b) Emergency departments, if any; and

14 (c) Financial service or billing areas where accessible to  
15 patients.

16 (7) Current versions of the hospital's charity care policy, a  
17 plain language summary of the hospital's charity care policy, and the  
18 hospital's charity care application form must be available on the  
19 hospital's website. The summary and application form must be  
20 available in all languages spoken by more than ten percent of the  
21 population of the hospital service area.

22 (8)(a) All hospital billing statements and other written  
23 communications concerning billing or collection of a hospital bill by  
24 a hospital must include the following or a substantially similar  
25 statement prominently displayed on the first page of the statement in  
26 both English and the second most spoken language in the hospital's  
27 service area:

28 You may qualify for free care or a discount on your hospital  
29 bill, whether or not you have insurance. Please contact our  
30 financial assistance office at [website] and [phone number].

31 (b) Nothing in (a) of this subsection requires any hospital to  
32 alter any preprinted hospital billing statements existing as of  
33 October 1, 2018.

34 (9) Hospital obligations under federal and state laws to provide  
35 meaningful access for limited English proficiency and non-English-  
36 speaking patients apply to information regarding billing and charity  
37 care. Hospitals shall develop standardized training programs on the  
38 hospital's charity care policy and use of interpreter services, and  
39 provide regular training for appropriate staff, including the

1 relevant and appropriate staff who perform functions relating to  
2 registration, admissions, or billing.

3 (10) Each hospital shall make every reasonable effort to  
4 determine:

5 (a) The existence or nonexistence of private or public  
6 sponsorship which might cover in full or part the charges for care  
7 rendered by the hospital to a patient;

8 (b) The annual family income of the patient as classified under  
9 federal poverty income guidelines as of the time the health care  
10 services were provided, or at the time of application for charity  
11 care if the application is made within two years of the time of  
12 service, the patient has been making good faith efforts towards  
13 payment of health care services rendered, and the patient  
14 demonstrates eligibility for charity care; and

15 (c) The eligibility of the patient for charity care as defined in  
16 this chapter and in accordance with hospital policy. An initial  
17 determination of sponsorship status shall precede collection efforts  
18 directed at the patient.

19 (11) At the hospital's discretion, a hospital may consider  
20 applications for charity care at any time, including any time there  
21 is a change in a patient's financial circumstances.

22 (12) The department shall monitor the distribution of charity  
23 care among hospitals, with reference to factors such as relative need  
24 for charity care in hospital service areas and trends in private and  
25 public health coverage. The department shall prepare reports that  
26 identify any problems in distribution which are in contradiction of  
27 the intent of this chapter. The report shall include an assessment of  
28 the effects of the provisions of this chapter on access to hospital  
29 and health care services, as well as an evaluation of the  
30 contribution of all purchasers of care to hospital charity care.

31 (13) The department shall issue a report on the subjects  
32 addressed in this section at least annually, with the first report  
33 due on July 1, 1990.

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