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## Health Care & Wellness Committee

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### HB 1359

**Brief Description:** Concerning notice of charity care availability at time of billing and collection.

**Sponsors:** Representatives Jinkins, Harris, Macri, Kilduff, Riccelli, Cody, Slatter, Appleton, Kloba, Frame and Doglio.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Requires written and oral billing or collection communications related to a hospital bill to include a statement notifying patients of the hospital's charity care policy and application.</li></ul>
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**Hearing Date:** 2/3/17

**Staff:** Alexa Silver (786-7190) and Alex Pearson (786-7291).

**Background:**

General Charity Care Requirements.

By statute, Washington hospitals may not deny patients access to emergency care because of inability to pay. Hospitals are also required to develop, implement, and maintain a charity care policy and a sliding fee schedule and submit them, along with data regarding the annual use of charity care, to the Department of Health (Department).

"Charity care" is defined as necessary hospital health care rendered to indigent persons to the extent they are unable to pay for the care or to pay deductibles or co-insurance amounts required by a third-party payer. A patient whose family income is 100 percent of the federal poverty level or lower is eligible for charity care in the full amount of hospital charges for appropriate hospital-based medical services that are not otherwise covered. A patient whose family income is 101 to 200 percent of the federal poverty level qualifies for discounts based on the hospital's sliding fee schedule. Hospitals may classify a person whose family income is over 200 percent of the federal poverty level as indigent based on his or her financial circumstances.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

### Notification Requirements.

Hospitals are required to notify a person who may be eligible for charity care. Notice that charges for indigent persons may be waived or reduced must be: (1) prominently displayed in the public areas of the hospital; (2) provided to the individual in writing and explained at the time the hospital requests information regarding the availability of third-party coverage, in any language spoken by more than ten percent of the population in the hospital's service area; and (3) interpreted for other non-English speaking patients, limited-English speaking patients, or other patients who cannot read or understand the writing and explanation.

### Charity Care Determination Procedural Requirements.

A hospital is required to make every reasonable effort to determine a patient's family income, eligibility for charity care, and private or public sponsorship. The hospital's initial determination of sponsorship status must be completed at the time of admission or as soon as possible following initiation of services. If the patient is cooperative, the hospital may not initiate collection efforts pending a determination of sponsorship status.

If the patient is initially determined to be indigent, the hospital must give the patient time to provide supporting documents and the hospital may require an application process attesting to the accuracy of the information provided, but it may not impose procedures that create an unreasonable burden. The hospital must notify the patient of its determination of sponsorship status within 14 calendar days of receiving information.

### Penalties.

A person who violates or knowingly aids and abets a violation of the charity care policy, eligibility determination, or notice and access requirements is guilty of a misdemeanor and may be subject to a civil penalty of up to \$1,000 per day for noncompliance that continues following official notice from the Department. The accused may also be enjoined from continuing to violate the charity care requirements.

### **Summary of Bill:**

The following statement must be included in all written and oral billing or collection communications related to a hospital bill: "**Depending on income, you may qualify for a discount for some or all of your hospital bill. Contact the hospital now and ask for a charity care application.**"

The written statement must be prominently set out at the beginning of the document in at least twelve-point font and be in bold font as indicated. The written statement must also be translated into both English and Spanish, and other languages and alternative formats when the need to do so is reasonably known.

Oral communications must also be translated into both English and Spanish, and other languages and alternative formats when the need to do so is reasonably known.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on October 1, 2017.