

SENATE BILL REPORT

ESHB 1359

As Reported by Senate Committee On:
Health Care, March 20, 2017

Title: An act relating to notice of charity care availability at time of billing and collection.

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

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Jenkins, Harris, Macri, Kilduff, Riccelli, Cody, Slatter, Appleton, Kloba, Frame and Doglio).

Brief History: Passed House: 3/02/17, 98-0.

Committee Activity: Health Care: 3/20/17, 3/20/17 [DP-WM, w/oRec].

Brief Summary of Bill

- Requires hospital billing statements to include a statement notifying patients that they may qualify for a discount.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Rivers, Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Conway, Keiser, Miloscia, Mullet, O'Ban and Walsh.

Minority Report: That it be referred without recommendation.

Signed by Senator Becker, Vice Chair.

Staff: Mich'l Needham (786-7442)

Background: 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).

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.

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 coinsurance 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 the person's financial circumstances.

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 10 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.

Summary of Bill: The following statement must be included in all hospital billing statements: "You may qualify for a discount for some or all of your hospital bill, whether or not you have insurance. Please contact our financial assistance office at..."

The statement must be in English and the non-English language most commonly spoken by the non-English speaking or limited-English speaking population in the hospital's service area. The notification statement does not need to be included in any preprinted hospital billing statements that exist as of October 1, 2017—the effective date of the act.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This is a part of my long-term work on charity care. I am pleased to share that the hospital association and other stakeholders have been working together and they just launched a uniform application for charity care. This bill simply addresses the notice that you can apply on the billing statement. The charity care laws are a foundation of care but patients do not know about the charity care laws and they are not applying. Their bills go on to collections and to cause other issues that are unnecessary when the bill could have been avoided. This version represents compromises that avoid the burden on hospitals and still help patients. Older people are vulnerable to significant health care costs depleting their nest egg. Emergency room care falls as an outpatient visit under Medicare and patients have to pay their deductible and 20 percent coinsurance. Indigent patient should receive charity care and avoid the process with collections and liens on the home. This is a simple, common sense approach to ensure patients receive information with the billing statement.

Persons Testifying: PRO: Representative Laurie Jinkins, Prime Sponsor; Ann Logerfo, Columbia Legal Services; Audrey Udsashen, Assistant Attorney General Consumer Protection; Joanna Grist, AARP.

Persons Signed In To Testify But Not Testifying: No one.