

HOUSE BILL REPORT

SSB 6273

As Reported by House Committee On: Health Care & Wellness

Title: An act relating to delineating charity care and notice requirements without restricting charity care.

Brief Description: Delineating charity care and notice requirements without restricting charity care.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Cleveland, Rivers, Fain, Mullet, Palumbo and Saldaña).

Brief History:

Committee Activity:

Health Care & Wellness: 2/23/18 [DPA].

Brief Summary of Substitute Bill (As Amended by Committee)

- Requires hospitals to provide notice of charity care policies in specific areas of the hospital, such as where patients are admitted, on the hospital's website, and on all billing and collection documents.
- Requires hospitals to develop standardized training programs on the hospital's charity care policy and the use of interpreter services, and provide regular training for appropriate staff.
- Clarifies the patient's family income that the hospital must consider when determining charity care eligibility.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass as amended. Signed by 17 members: Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Harris, Jinkins, MacEwen, Maycumber, Riccelli, Robinson, Rodne, Slatter, Stonier and Tharinger.

Staff: Kim Weidenaar (786-7120).

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.

Background:

General Charity Care Requirements.

Washington hospitals may not deny patients access to emergency care because of inability to pay. Hospitals are 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 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 101-200 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 an indigent person eligible for a discount based on his or her financial circumstances.

Notification Requirements.

Hospitals are required to notify a person who may be eligible for charity care. Department rules require that 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.

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. Department rules require the hospital must notify the patient of its determination of sponsorship status within 14 calendar days of receiving information. Patients may apply for charity care at any time, and if a patient pays for hospital charges and is subsequently found to have met the charity care criteria, the hospital must refund excess payments.

Penalties.

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

Summary of Amended Bill:

General Charity Care Requirements.

The provision providing that charity care for persons with a family income below 100 percent of the federal poverty level covers the full amount of hospital charges is clarified to state that the charges are fully covered except to the extent that the patient has third-party coverage for the charges, rather than provided the individual is not eligible for other private or public health coverage sponsorship.

For purposes of determining charity care eligibility, the income considered is the patient's annual family income at the time health services were provided or at the time of application if made within two years, if the patient has been making good faith efforts toward payment and demonstrates eligibility for charity care. Hospitals also have the discretion to consider an application for charity care at any time.

Hospitals must develop standardized training programs on the hospital's charity care policy and the use of interpreter services. Hospitals must provide regular training for appropriate staff, including relevant and appropriate staff who perform functions relating to registration, admissions, or billing.

Notification Requirements.

Language in the current law that requires hospitals to notify persons who may be eligible for charity care is replaced with the following notice requirements:

- Hospitals must post and prominently display notice of charity care availability.
- Notice must be displayed in areas where patients are admitted or registered, in emergency departments, and in financial service or billing areas accessible to patients.
- Current versions of the hospital's charity care policy, a plain language summary of the policy, and the application form must be available on the hospital's website.

These notices and forms must be available in all language spoken by more than 10 percent of the population in the hospital's service area.

All hospital and billing statements and other written communications concerning billing or collections of a hospital bill must include the following statement, or something substantially similar, that is prominently displayed on the first page of the billing statement in both English and the second most spoken language in the hospital's service area:

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

Preprinted hospital billing statements that are in existence as of October 1, 2018, are not required to be altered.

Definitions.

The definition of "charity care" is clarified to mean medically necessary hospital health care rendered to indigent persons when third-party coverage, if any, has been exhausted, to the

extent that the persons are unable to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payer, as determined by the Department.

"Third-party coverage" is defined as an obligation on the part of an insurance company, health care service, contractor, health maintenance organization, group health plan, government program, tribal health benefits, or health care sharing ministry to pay for the care of covered patients and services, and may include settlements, judgements, or awards actually received related to the negligent acts of others which have resulted in the medical condition for which the patient has received hospital health care service. The pendency of such settlements, judgements, or awards, must not stay hospital obligations to consider an eligible patient for charity care.

Amended Bill Compared to Substitute Bill:

The amended bill clarifies that for purposes of determining charity care eligibility the income considered is the patient's annual family income. The amended bill also clarifies that in addition to considering the patient's annual family income at the time health services were provided for purposes of determining charity care eligibility, a hospital must also consider the patient's family income at the time of application, if the application is made within two years, the patient has been making good faith efforts toward payment, and demonstrates eligibility for charity care. Finally, the amended bill states that hospitals have the discretion to consider an application for charity care at any time.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect on October 1, 2018.

Staff Summary of Public Testimony:

(In support) Without charity care very low income patients would have to choose between essential, often lifesaving medical care or paying for other necessities like rent or food. This bill addresses a number of issues including notification to patients about the availability of charity care, language barriers, and provides better clarity about hospital obligations. The senators and representatives have done great work on this bill and have brought together many stakeholders, who have worked to come to an agreement on this bill, including an amendment that was added to the House bill on the floor before it was passed over to the Senate. With the inclusion of that amendment, a number of stakeholders support the bill.

(Opposed) None.

Persons Testifying: Ann LoGerfo, Columbia Legal Services; and Lisa Thatcher, Washington State Hospital Association.

Persons Signed In To Testify But Not Testifying: None.