

SENATE BILL REPORT

SB 6257

As of January 24, 2024

Title: An act relating to creating Washington state residency requirements for purposes of hospital charity care.

Brief Description: Defining Washington state residency requirements for purposes of hospital charity care.

Sponsors: Senators Cleveland, Rivers, Mullet and Nobles.

Brief History:

Committee Activity: Health & Long Term Care: 1/25/24.

Brief Summary of Bill

- Establishes residency requirements for the purposes of receiving hospital charity care.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Greg Attanasio (786-7410)

Background: Charity care means 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 of Health.

For the purpose of providing charity care each hospital shall develop, implement, and maintain a policy that enables indigent persons to receive charity care. A hospital's charity care policy must include procedures for identifying patients who may be eligible for health care coverage through public medical assistance programs or the Washington Health Benefit Exchange. The hospital must actively assist patients in applying for any available coverage including retroactive coverage through medical assistance programs.

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

The minimum standards for hospital charity care policies categorize hospitals into two different groups, each with different standards. The first category includes: (1) hospitals owned or operated by a health system that owns or operates three or more acute care hospitals in Washington; (2) acute care hospitals with over 300 licensed beds located in the most populous county in the state; and (3) acute care hospitals with over 200 licensed beds located in a county with at least 450,000 residents on Washington's southern border. For hospitals in this category, the minimum standards require patients whose income is:

- not more than 300 percent of the federal poverty level (FPL), adjusted for family size, be deemed charity care patients for the full amount of their portion of the hospital charges;
- between 301 percent and 350 percent of the FPL, adjusted for family size, be entitled to a 75 percent discount for the full amount of their portion of the hospital charges; and
- between 351 percent and 400 percent of the FPL, adjusted for family size, be entitled to a 50 percent discount for the full amount of their portion of the hospital charges.

The second category includes all hospitals that do not meet the criteria for the first category. For these hospitals, the minimum standards require patients whose income is:

- not more than 200 percent of the FPL, adjusted for family size, be deemed charity care patients for the full amount of their portion of the hospital charges;
- between 201 percent and 250 percent of the FPL, adjusted for family size, be entitled to a 75 percent discount for the full amount of their portion of the hospital charges; and
- between 251 percent and 300 percent of the FPL, adjusted for family size, be entitled to a 50 percent discount for the full amount of their portion of the hospital charges.

A hospital may reduce the amount of the discount, except for patients receiving the full amount of their charges, by giving consideration to the existence, availability, and value of a person's assets. If a hospital considers assets it must maintain a policy regarding such asset consideration and corresponding discounts and make it publicly available.

In 2023 the Department of Health interpreted the charity care statute to require hospitals to provide charity care to anyone who meets the statutory income requirements and determined that charity care eligibility could not be based, in whole or in part, on an indigent person's residency.

Summary of Bill: Eligibility for charity care is limited to Washington residents. A resident is a person, including an emancipated person under age 18 and a married person under age 18 who is capable of indicating intent, who currently lives in Washington and:

- intends to reside in the state indefinitely, including persons without a fixed address;
- entered the state looking for a job; or

- entered the state with a job commitment.

A person does not need to live in the state for a specific period of time prior to meeting these requirements.

A child under the age of 18 who is not emancipated is a resident if:

- the child lives in the state, with or without a fixed address, including with a custodial parent or caretaker; or
- the child's parent or caretaker is a resident as defined in this act.

A resident who leaves the state for over a month does not lose their residency if the person:

- intends to return to the state once the purpose of his or her absence has been accomplished and provides adequate information of this intent after a request by the hospital; and
- has not been determined eligible for Medicaid or state-funded health care coverage in another state other than coverage in another state for incidental or emergency health care.

A person who enters Washington State for health care is not a resident and is not eligible for charity care. A person receiving emergency care under the federal Emergency Medical Treatment and Labor Act will be considered a resident for the purposes of charity care.

A person of any age who receives a state supplemental payment is considered a resident of the state that is making the payment.

A person who receives federal payments for foster or adoption assistance is considered a resident of the state where the person physically resides even if the person does not live in the state that is making the foster or adoption assistance payment or the person does not live in the state where the adoption agreement was entered.

Immigration status may not be taken into account when determining an indigent person's residency.

Appropriation: None.

Fiscal Note: Requested on January 17, 2024.

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

Effective Date: The bill contains an emergency clause and takes effect immediately.