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SENATE BILL 6257

State of Washington 68th Legislature 2024 Regular Session

By Senators Cleveland, Rivers, Mullet, and Nobles

Read first time 01/17/24. Referred to Committee on Health & Long Term Care.

- AN ACT Relating to creating Washington state residency requirements for purposes of hospital charity care; adding a new section to chapter 70.170 RCW; creating a new section; and declaring an emergency.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. (1) The legislature finds that Washington hospitals provide significant benefits to their communities in the form of charity care for both emergency services and nonemergency services. In 2022, hospitals statewide provided \$483,000,000 in charity care services to patients.
 - (2) For over 30 years, the department of health approved hospital charity care policies that included clauses restricting charity care eligibility to residents of the state of Washington and out-of-state patients in need of emergency care. This has ensured that hospitals have sufficient resources to serve and care for the residents of their local communities before providing free care to patients from around the globe. In 2022, the department of health reversed this decades-long policy and began sending letters to individual hospitals requiring policy updates to remove these restrictions. In September 2023, the department issued an interpretive statement requiring all

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remaining hospitals with geographic restrictions to update their policies by removing the restrictions by January 2024.

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- (3) The legislature finds that this new approach taken by the department has the potential to make Washington state a medical tourism destination, drawing patients from other states and countries for free care ranging from routine procedures to state of the art, specialized treatment. The consequences of this would be delays in care, challenges for Washingtonians in accessing care, and an increase in the cost of care for Washingtonians.
- (4) Washington hospitals are already facing significant capacity constraints. Washington has the fifth-fewest hospital beds per capita of all the states in the nation. Additional people coming to Washington for care will put a further strain on capacity in Washington's hospitals, limiting local residents' access to care and impacting patient well-being.
- (5) Without legislative intervention, the department's new interpretation would also increase the cost of care for Washingtonians. Expenses for the additional delivery of free care will be passed along to other patients who do pay. People living in Washington will be forced to subsidize charity care services for people from outside of the state and outside of the country.
- (6) The legislature therefore clarifies and declares that, while hospitals may exceed any of the requirements of the charity care law, including serving those from outside the state, the purpose of charity care is to provide a standardized approach in law addressing affordable medical care to low-income Washingtonians and those from outside the state in need of emergency care.
- NEW SECTION. Sec. 2. A new section is added to chapter 70.170 RCW to read as follows:
- 30 (1) Eligibility for charity care is limited to Washington state 31 residents.
- 32 (2) For purposes of this chapter, a resident is a person, 33 including an emancipated person under age 18 and a married person 34 under age 18 who is capable of indicating intent, who currently lives 35 in Washington and:
- 36 (a) Intends to reside here indefinitely, including persons 37 without a fixed address; or
 - (b) Entered the state looking for a job; or
 - (c) Entered the state with a job commitment.

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- 1 (3) A person does not need to live in the state for a specific 2 period of time prior to meeting the requirements in subsection (2) of 3 this section before being considered a resident.
 - (4) A child under age 18 who is not covered by subsection (2) of this section is a resident if:

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- 6 (a) The child lives in the state, with or without a fixed 7 address, including with a custodial parent or caretaker; or
- 8 (b) The child's parent or caretaker is a resident as defined in 9 subsection (2) of this section.
- 10 (5) A resident who leaves the state for over a month does not lose their residency if the person:
 - (a) 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
 - (b) 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.
 - (6) A person who enters Washington state for health care is not a resident and is not eligible for charity care.
- 20 (7) A person receiving emergency care under 42 U.S.C. Sec. 21 1395dd, or that patient's guarantor, will be considered a resident 22 for purposes of receiving charity care.
- 23 (8) A person of any age who receives a state supplemental payment 24 is considered a resident of the state that is making the payment.
- 25 (9) A person who receives federal payments for foster or adoption 26 assistance is considered a resident of the state where the person 27 physically resides even if:
- 28 (a) The person does not live in the state that is making the 29 foster or adoption assistance payment; or
- 30 (b) The person does not live in the state where the adoption 31 agreement was entered.
- 32 (10) Immigration status may not be taken into account when 33 determining an indigent person's residency.
- NEW SECTION. Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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