
Health Care & Wellness Committee

HB 1504

Brief Description: Standardizing hospital charity care determinations.

Sponsors: Representatives Jenkins, Johnson, Harris, Caldier, Robinson, Tharinger, Riccelli, Goodman, Cody, Walsh, Sawyer, Tarleton, Pollet, Senn, Kilduff, Moeller, Fitzgibbon and McBride.

Brief Summary of Bill

- Requires hospitals to use a standardized charity care application form developed by the Department of Health and notify people who may be eligible for charity care at the time of the first visit or admission, discharge, and the first billing.
- Permits a person to apply for charity care at any time.

Hearing Date: 2/11/15

Staff: Alexa Silver (786-7190).

Background:

Hospitals are required to develop, implement, and maintain a charity care policy and a sliding fee schedule and submit them to the Department of Health (Department). "Charity care" is 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.

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

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the public areas of the hospital; (2) and provided to the individual in writing and explained at the time the hospital requests information regarding the availability of third-party coverage.

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 provide the patient at least 14 calendar days to provide documentation of sponsorship status or as much time as the person's medical condition may require or as may reasonably be necessary. Hospitals may require the patient to use an application process attesting to the accuracy of the information provided, but 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. If the patient pays for hospital charges and is subsequently found to have met the charity care criteria, the hospital must refund excess payments.

A person who violates or knowingly aids and abets a violation of charity care requirements is guilty of a misdemeanor and subject to a civil penalty of \$1,000.

Summary of Bill:

The Department of Health is required to establish a standardized charity care application form. The form may not include questions related to bankruptcy proceedings or primary homeownership. Hospitals are required to use the standardized form to determine eligibility for charity care.

A hospital must notify a person who may be eligible for charity care at the time of the first visit or admission, discharge, and the first billing. A person may apply for charity care at any time, and a hospital may not deny an application based on the person's failure to apply or provide documentation within a specific time frame.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.