

SENATE BILL REPORT

SSB 6273

As Amended by House, February 28, 2018

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 & Long Term Care: 1/29/18, 2/01/18 [DPS, w/oRec].

Floor Activity:

Passed Senate: 2/12/18, 47-0.

Passed House: 2/28/18, 98-0.

Brief Summary of First Substitute Bill

- Requires third-party coverage to be exhausted before a patient becomes eligible for charity care.
- Requires hospitals to prominently display charity care notices throughout the hospital and on its website.
- Requires hospital billing statements to include a statement notifying patients that they may qualify for a discount.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: That Substitute Senate Bill No. 6273 be substituted therefor, and the substitute bill do pass.

Signed by Senators Cleveland, Chair; Kuderer, Vice Chair; Rivers, Ranking Member; Becker, Conway, Fain, Keiser, Mullet and Van De Wege.

Minority Report: That it be referred without recommendation.

Signed by Senator Bailey.

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.

Staff: Evan Klein (786-7483)

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).

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 First Substitute Bill: Charity care is defined as medically necessary hospital care rendered to indigent persons when third-party coverage, if any, has been exhausted. Third party coverage is an obligation on the part of an insurance company, health care service contractor, health maintenance organization, group health plan, government program, tribal benefits, or health care sharing ministry to pay for an individuals' care.

Hospitals must post and prominently display notice of charity care availability in all languages spoken by more than 10 percent of the hospital's service area. Notice must be displayed in areas where patients are admitted, emergency departments, and financial service or billing areas accessible to patients. Hospitals must make their charity care policy and charity care application available on their website, in all languages spoken by more than 10 percent of the hospital's service area. All hospital billing statements and other written forms of communication concerning billing must include a standardized charity care notification as included in the bill.

Hospitals must develop standardized training programs on their charity care policy and use of interpreter services, and provide this training for appropriate staff.

Hospitals must make reasonable efforts to determine a patient's family income at the time that health care services are provided.

Appropriation: None.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony on First Substitute: PRO: For 30 years, Washington's charity care laws have provided a means for individuals with low incomes to access care. Many hospitals do not provide accurate or timely information for patients who need access to charity care. This legislation will provide for complete information on hospital websites and bills. Charity care does apply to copays and deductibles, but that issue is not impacted by this bill. This bill will provide better access to charity care for patients with language barriers. Charity care is available to patients at income levels so low that they cannot pay the hospital bill. This bill is an opportunity to provide more clarity in the charity care law.

Persons Testifying: PRO: Senator Annette Cleveland, Prime Sponsor; Ann LoGerfo, Columbia Legal Services; Zosia Stanley, Washington State Hospital Association.

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

EFFECT OF HOUSE AMENDMENT(S):

- Clarifies that for purposes of charity care eligibility, income refers to the patient's annual income at the time health care services are rendered, or at the time of application if: (1) the application is made within two years of the services; (2) the patient has been making good faith efforts towards the payment of health care services; and (3) the patient demonstrates eligibility for charity care.
- Permits hospitals to consider applications for charity care at any time.