
ENGROSSED SUBSTITUTE HOUSE BILL 1359

State of Washington

65th Legislature

2017 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Jenkins, Harris, Macri, Kilduff, Riccelli, Cody, Slatter, Appleton, Kloba, Frame, and Doglio)

READ FIRST TIME 02/13/17.

1 AN ACT Relating to notice of charity care availability at time of
2 billing and collection; amending RCW 70.170.060 and 70.170.070; and
3 providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 70.170.060 and 1998 c 245 s 118 are each amended to
6 read as follows:

7 (1) No hospital or its medical staff shall adopt or maintain
8 admission practices or policies which result in:

9 (a) A significant reduction in the proportion of patients who
10 have no third-party coverage and who are unable to pay for hospital
11 services;

12 (b) A significant reduction in the proportion of individuals
13 admitted for inpatient hospital services for which payment is, or is
14 likely to be, less than the anticipated charges for or costs of such
15 services; or

16 (c) The refusal to admit patients who would be expected to
17 require unusually costly or prolonged treatment for reasons other
18 than those related to the appropriateness of the care available at
19 the hospital.

20 (2) No hospital shall adopt or maintain practices or policies
21 which would deny access to emergency care based on ability to pay. No

1 hospital which maintains an emergency department shall transfer a
2 patient with an emergency medical condition or who is in active labor
3 unless the transfer is performed at the request of the patient or is
4 due to the limited medical resources of the transferring hospital.
5 Hospitals must follow reasonable procedures in making transfers to
6 other hospitals including confirmation of acceptance of the transfer
7 by the receiving hospital.

8 (3) The department shall develop definitions by rule, as
9 appropriate, for subsection (1) of this section and, with reference
10 to federal requirements, subsection (2) of this section. The
11 department shall monitor hospital compliance with subsections (1) and
12 (2) of this section. The department shall report individual instances
13 of possible noncompliance to the state attorney general or the
14 appropriate federal agency.

15 (4) The department shall establish and maintain by rule,
16 consistent with the definition of charity care in RCW 70.170.020, the
17 following:

18 (a) Uniform procedures, data requirements, and criteria for
19 identifying patients receiving charity care;

20 (b) A definition of residual bad debt including reasonable and
21 uniform standards for collection procedures to be used in efforts to
22 collect the unpaid portions of hospital charges that are the
23 patient's responsibility.

24 (5) For the purpose of providing charity care, each hospital
25 shall develop, implement, and maintain a charity care policy which,
26 consistent with subsection (1) of this section, shall enable people
27 below the federal poverty level access to appropriate hospital-based
28 medical services, and a sliding fee schedule for determination of
29 discounts from charges for persons who qualify for such discounts by
30 January 1, 1990. The department shall develop specific guidelines to
31 assist hospitals in setting sliding fee schedules required by this
32 section. All persons with family income below one hundred percent of
33 the federal poverty standard shall be deemed charity care patients
34 for the full amount of hospital charges, provided that such persons
35 are not eligible for other private or public health coverage
36 sponsorship. Persons who may be eligible for charity care shall be
37 notified by the hospital.

38 (6)(a) All hospital billing statements must include the following
39 statement in English and the non-English language most commonly

1 spoken by the non-English speaking or limited-English speaking
2 population in the hospital's service area:

3 You may qualify for a discount for some or all of your hospital
4 bill, whether or not you have insurance. Please contact our
5 financial assistance office at

6 (b) Nothing in this subsection requires any hospital to alter any
7 preprinted hospital billing statements existing as of October 1,
8 2017.

9 (7) Each hospital shall make every reasonable effort to determine
10 the existence or nonexistence of private or public sponsorship which
11 might cover in full or part the charges for care rendered by the
12 hospital to a patient; the family income of the patient as classified
13 under federal poverty income guidelines; and the eligibility of the
14 patient for charity care as defined in this chapter and in accordance
15 with hospital policy. An initial determination of sponsorship status
16 shall precede collection efforts directed at the patient.

17 ((+7)) (8) The department shall monitor the distribution of
18 charity care among hospitals, with reference to factors such as
19 relative need for charity care in hospital service areas and trends
20 in private and public health coverage. The department shall prepare
21 reports that identify any problems in distribution which are in
22 contradiction of the intent of this chapter. The report shall include
23 an assessment of the effects of the provisions of this chapter on
24 access to hospital and health care services, as well as an evaluation
25 of the contribution of all purchasers of care to hospital charity
26 care.

27 ((+8)) (9) The department shall issue a report on the subjects
28 addressed in this section at least annually, with the first report
29 due on July 1, 1990.

30 **Sec. 2.** RCW 70.170.070 and 1989 1st ex.s. c 9 s 507 are each
31 amended to read as follows:

32 (1) Every person who shall violate or knowingly aid and abet the
33 violation of RCW 70.170.060 (5) or ((+6)) (7), 70.170.080, or
34 70.170.100, or any valid orders or rules adopted pursuant to these
35 sections, or who fails to perform any act which it is herein made his
36 or her duty to perform, shall be guilty of a misdemeanor. Following
37 official notice to the accused by the department of the existence of
38 an alleged violation, each day of noncompliance upon which a

1 violation occurs shall constitute a separate violation. Any person
2 violating the provisions of this chapter may be enjoined from
3 continuing such violation. The department has authority to levy civil
4 penalties not exceeding one thousand dollars for violations of this
5 chapter and determined pursuant to this section.

6 (2) Every person who shall violate or knowingly aid and abet the
7 violation of RCW 70.170.060 (1) or (2), or any valid orders or rules
8 adopted pursuant to such section, or who fails to perform any act
9 which it is herein made his or her duty to perform, shall be subject
10 to the following criminal and civil penalties:

11 (a) For any initial violations: The violating person shall be
12 guilty of a misdemeanor, and the department may impose a civil
13 penalty not to exceed one thousand dollars as determined pursuant to
14 this section.

15 (b) For a subsequent violation of RCW 70.170.060 (1) or (2)
16 within five years following a conviction: The violating person shall
17 be guilty of a misdemeanor, and the department may impose a penalty
18 not to exceed three thousand dollars as determined pursuant to this
19 section.

20 (c) For a subsequent violation with intent to violate RCW
21 70.170.060 (1) or (2) within five years following a conviction: The
22 criminal and civil penalties enumerated in (a) of this subsection;
23 plus up to a three-year prohibition against the issuance of tax
24 exempt bonds under the authority of the Washington health care
25 facilities authority; and up to a three-year prohibition from
26 applying for and receiving a certificate of need.

27 (d) For a violation of RCW 70.170.060 (1) or (2) within five
28 years of a conviction under (c) of this subsection: The criminal and
29 civil penalties and prohibition enumerated in (a) and (b) of this
30 subsection; plus up to a one-year prohibition from participation in
31 the state medical assistance or medical care services authorized
32 under chapter 74.09 RCW.

33 (3) The provisions of chapter 34.05 RCW shall apply to all
34 noncriminal actions undertaken by the department of health, the
35 department of social and health services, and the Washington health
36 care facilities authority pursuant to chapter 9, Laws of 1989 1st ex.
37 sess.

1 NEW SECTION. **Sec. 3.** This act takes effect October 1, 2017.

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