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SENATE BILL 6273

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State of Washington

65th Legislature

2018 Regular Session

By Senators Cleveland, Rivers, Fain, Mullet, Palumbo, and Saldaña

Read first time 01/11/18. Referred to Committee on Health & Long Term Care.

1 AN ACT Relating to state charity care law; amending RCW  
2 70.170.020 and 70.170.060; and providing an effective date.

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

4 **Sec. 1.** RCW 70.170.020 and 1995 c 269 s 2203 are each amended to  
5 read as follows:

6 As used in this chapter:

7 (1) "Department" means department of health.

8 (2) "Hospital" means any health care institution which is  
9 required to qualify for a license under RCW 70.41.020(~~((+2))~~) (7); or  
10 as a psychiatric hospital under chapter 71.12 RCW.

11 (3) "Secretary" means secretary of health.

12 (4) "Charity care" means medically necessary hospital health care  
13 rendered to indigent persons when third-party coverage has been  
14 exhausted, to the extent that the persons are unable to pay for the  
15 care or to pay deductibles or coinsurance amounts required by a  
16 third-party payer, as determined by the department.

17 (5) "Third-party coverage" means an obligation on the part of an  
18 insurance company, health care service contractor, health maintenance  
19 organization, group health plan, government program, tribal health  
20 benefits, or health care sharing ministry as defined in 26 U.S.C.  
21 Sec. 5000A to pay for the care of covered patients and services, and

1 may include settlements, judgments, or awards actually received  
2 related to the negligent acts of others which have resulted in the  
3 medical condition for which the patient has received hospital health  
4 care services.

5 (6) "Sliding fee schedule" means a hospital-determined, publicly  
6 available schedule of discounts to charges for persons deemed  
7 eligible for charity care; such schedules shall be established after  
8 consideration of guidelines developed by the department.

9 ~~((+6))~~ (7) "Special studies" means studies which have not been  
10 funded through the department's biennial or other legislative  
11 appropriations.

12 **Sec. 2.** RCW 70.170.060 and 1998 c 245 s 118 are each amended to  
13 read as follows:

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

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

19 (b) A significant reduction in the proportion of individuals  
20 admitted for inpatient hospital services for which payment is, or is  
21 likely to be, less than the anticipated charges for or costs of such  
22 services; or

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

27 (2) No hospital shall adopt or maintain practices or policies  
28 which would deny access to emergency care based on ability to pay. No  
29 hospital which maintains an emergency department shall transfer a  
30 patient with an emergency medical condition or who is in active labor  
31 unless the transfer is performed at the request of the patient or is  
32 due to the limited medical resources of the transferring hospital.  
33 Hospitals must follow reasonable procedures in making transfers to  
34 other hospitals including confirmation of acceptance of the transfer  
35 by the receiving hospital.

36 (3) The department shall develop definitions by rule, consistent  
37 with RCW 70.170.020, as appropriate, for subsection (1) of this  
38 section and, with reference to federal requirements, subsection (2)  
39 of this section. The department shall monitor hospital compliance

1 with subsections (1) and (2) of this section. The department shall  
2 report individual instances of possible noncompliance to the state  
3 attorney general or the appropriate federal agency.

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

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

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

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

28 (6) Hospitals must inform patients about the availability of  
29 charity care using the following methods:

30 (a) The hospital must offer a plain language summary of the  
31 hospital's charity care policy to patients as part of the intake or  
32 discharge process. A plain language summary must include the current  
33 federal poverty guidelines and sliding fee schedule and be available  
34 in all languages spoken by more than ten percent of the population of  
35 the hospital service area;

36 (b) If the hospital orally asks patients about the availability  
37 of any third-party coverage, the hospital must orally offer patients  
38 information about applicable government programs and charity care;

39 (c) Current versions of the hospital's charity care policy, a  
40 plain language summary of the hospital's charity care policy, the

1 hospital's charity care application form, and the federal poverty  
2 guidelines must be conspicuously posted on the hospital's web site;

3 (d) All hospital billing statements and other written  
4 communications concerning billing or collection of a hospital bill  
5 must include the following or substantially similar statement  
6 prominently displayed on the first page of the statement in both  
7 English and the second most spoken language in the hospital's service  
8 area:

9 You may qualify for free care or a discount on your hospital  
10 bill, whether or not you have insurance. Please contact our  
11 financial assistance office at . . . .

12 Nothing in this subsection requires any hospital to alter any  
13 preprinted hospital billing statements existing as of January 1,  
14 2019;

15 (e) At least one postdischarge hospital billing statement must  
16 include a plain language summary of the hospital's charity care  
17 policy; and

18 (f) Signage notifying patients and visitors of the availability  
19 of charity care must be available in all languages spoken by more  
20 than ten percent of the population of the hospital service area. Such  
21 signage must be clearly and conspicuously posted in at least the  
22 following locations:

23 (i) Emergency departments, if any; and

24 (ii) Admission and registration areas.

25 (7) Hospital obligations under federal and state laws to provide  
26 meaningful access for limited English proficiency and non-English-  
27 speaking patients apply to information regarding billing and charity  
28 care. Hospitals must develop standardized training programs on the  
29 hospital's charity care policy and use of interpreter services and  
30 provide regular training for appropriate staff, including the  
31 relevant and appropriate staff who work in registration, admissions,  
32 and billing.

33 (8)(a) Charity care applications must be completed and submitted  
34 within two hundred forty days of the first postdischarge billing. If  
35 a patient has begun the application process during the two hundred  
36 forty-day application period, the patient has sixty days from the  
37 date of notice to complete the charity care application if the  
38 hospital provides written notice to the patient that the application  
39 is incomplete and a description of the additional information or

1 documentation needed to complete the application. During the two  
2 hundred forty-day application period and, if applicable, the sixty-  
3 day completion period, a hospital may not report adverse information  
4 to consumer credit reporting agencies or credit bureaus in connection  
5 with a bill for medically necessary hospital health care.

6 (b) Hospitals may require patients to use an application process  
7 attesting to the accuracy of the information provided to the hospital  
8 and reflecting the patient's income and family size at the time the  
9 service was provided. Hospitals may also require patients to provide  
10 a supporting document regarding each family income source for  
11 purposes of determining the person's qualification for charity care.

12 (c) Nothing in this section prohibits hospitals from considering  
13 a patient for charity care at any time based upon individual  
14 financial circumstances or other circumstances.

15 (9) Subject to the requirements of this chapter and this section,  
16 each hospital shall make every reasonable effort to determine the  
17 existence or nonexistence of (~~private or public sponsorship~~) third-  
18 party coverage which might cover in full or part the charges for care  
19 rendered by the hospital to a patient; the family income of the  
20 patient as classified under federal poverty income guidelines; and  
21 the eligibility of the patient for charity care as defined in this  
22 chapter and in accordance with hospital policy. (~~An initial~~  
23 ~~determination of sponsorship status shall precede collection efforts~~  
24 ~~directed at the patient.~~) Patients who are potentially eligible for  
25 government programs must have applied for and been determined to be  
26 ineligible to receive government program coverage, including medicare  
27 and medicaid, before being eligible for hospital charity care. If  
28 denied such program coverage, the patient must provide the hospital  
29 with a copy of the denial.

30 ~~((7))~~ (10) The department shall monitor the distribution of  
31 charity care among hospitals, with reference to factors such as  
32 relative need for charity care in hospital service areas and trends  
33 in private and public health coverage. The department shall prepare  
34 reports that identify any problems in distribution which are in  
35 contradiction of the intent of this chapter. The report shall include  
36 an assessment of the effects of the provisions of this chapter on  
37 access to hospital and health care services, as well as an evaluation  
38 of the contribution of all purchasers of care to hospital charity  
39 care.

1        ~~((8))~~ (11) The department shall issue a report on the subjects  
2 addressed in this section at least annually(~~(, with the first report~~  
3 ~~due on July 1, 1990)~~).

4        (12)(a) The department shall amend any existing rules established  
5 under this section to be consistent with this act and adopt rules  
6 necessary to implement the priorities established in this act  
7 including improving the notice and information provided by hospitals  
8 to patients regarding charity care, improving training regarding  
9 interpreter services and charity care eligibility, and establishing  
10 clear deadlines by which patients must complete a charity care  
11 application, taking into consideration any applicable federal  
12 requirements.

13        (b) In developing the rules, the department shall amend or  
14 rescind any existing rules in conflict with the provisions of this  
15 act.

16        (c) The legislature's delegation of authority to the department  
17 under this act is strictly limited to the minimum delegation  
18 necessary to administer the clear and unambiguous directives of this  
19 act.

20        NEW SECTION. Sec. 3. This act takes effect January 1, 2019.

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