

SHB 1616 - S COMM AMD

By Committee on Health & Long Term Care

ADOPTED AS AMENDED 03/04/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 70.170.020 and 2018 c 263 s 1 are each amended to
4 read as follows:

5 As used in this chapter:

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

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

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

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

16 (5) "Indigent persons" are those patients or their guarantors who
17 qualify for charity care pursuant to section 2(5) of this act based
18 on the federal poverty level, adjusted for family size, and who have
19 exhausted any third-party coverage.

20 (6) "Third-party coverage" means an obligation on the part of an
21 insurance company, health care service contractor, health maintenance
22 organization, group health plan, government program, tribal health
23 benefits, or health care sharing ministry as defined in 26 U.S.C.
24 Sec. 5000A to pay for the care of covered patients and services, and
25 may include settlements, judgments, or awards actually received
26 related to the negligent acts of others which have resulted in the
27 medical condition for which the patient has received hospital health
28 care service. The pendency of such settlements, judgments, or awards
29 must not stay hospital obligations to consider an eligible patient
30 for charity care.

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

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

8 **Sec. 2.** RCW 70.170.060 and 2018 c 263 s 2 are each amended to
9 read as follows:

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

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

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

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

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

32 (3) The department shall develop definitions by rule, as
33 appropriate, for subsection (1) of this section and, with reference
34 to federal requirements, subsection (2) of this section. The
35 department shall monitor hospital compliance with subsections (1) and
36 (2) of this section. The department shall report individual instances
37 of possible noncompliance to the state attorney general or the
38 appropriate federal agency.

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

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

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

10 (5) For the purpose of providing charity care, each hospital
11 shall develop, implement, and maintain a ~~((charity care))~~ policy
12 which ~~((, consistent with subsection (1) of this section,))~~ shall
13 enable ~~((people below the federal poverty level))~~ indigent persons
14 access to ~~((appropriate hospital-based medical services, and a~~
15 ~~sliding fee schedule for determination of discounts from charges for~~
16 ~~persons who qualify for such discounts by January 1, 1990. The~~
17 ~~department shall develop specific guidelines to assist hospitals in~~
18 ~~setting sliding fee schedules required by this section. All persons~~
19 ~~with family income below one hundred percent of the federal poverty~~
20 ~~standard shall be deemed charity care patients for the full amount of~~
21 ~~hospital charges, except to the extent the patient has third-party~~
22 ~~coverage for those charges.))~~ charity care. The policy shall include
23 procedures for identifying patients who may be eligible for health
24 care coverage through medical assistance programs under chapter 74.09
25 RCW or the Washington health benefit exchange and actively assisting
26 patients to apply for any available coverage. If a hospital
27 determines that a patient or their guarantor is qualified for
28 retroactive health care coverage through the medical assistance
29 programs under chapter 74.09 RCW, a hospital shall assist the patient
30 or guarantor with applying for such coverage. If a hospital
31 determines that a patient or their guarantor qualifies for
32 retroactive health care coverage through the medical assistance
33 programs under chapter 74.09 RCW, a hospital is not obligated to
34 provide charity care under this section to any patient or their
35 guarantor if the patient or their guarantor fails to make reasonable
36 efforts to cooperate with the hospital's efforts to assist them in
37 applying for such coverage. Hospitals may not impose application
38 procedures for charity care or for assistance with retroactive
39 coverage applications which place an unreasonable burden upon the
40 patient or guarantor, taking into account any physical, mental,

1 intellectual, or sensory deficiencies, or language barriers which may
2 hinder the responsible party's capability of complying with
3 application procedures. It is an unreasonable burden to require a
4 patient to apply for any state or federal program where the patient
5 is obviously or categorically ineligible or has been deemed
6 ineligible in the prior 12 months.

7 (a) At a minimum, a hospital owned or operated by a health system
8 that owns or operates three or more acute hospitals licensed under
9 chapter 70.41 RCW, an acute care hospital with over 300 licensed beds
10 located in the most populous county in Washington, or an acute care
11 hospital with over 200 licensed beds located in a county with at
12 least 450,000 residents and located on Washington's southern border
13 shall grant charity care per the following guidelines:

14 (i) All patients and their guarantors whose income is not more
15 than 300 percent of the federal poverty level, adjusted for family
16 size, shall be deemed charity care patients for the full amount of
17 the patient responsibility portion of their hospital charges;

18 (ii) All patients and their guarantors whose income is between
19 301 and 350 percent of the federal poverty level, adjusted for family
20 size, shall be entitled to a 75 percent discount for the full amount
21 of the patient responsibility portion of their hospital charges,
22 which may be reduced by amounts reasonably related to assets
23 considered pursuant to (c) of this subsection;

24 (iii) All patients and their guarantors whose income is between
25 351 and 400 percent of the federal poverty level, adjusted for family
26 size, shall be entitled to a 50 percent discount for the full amount
27 of the patient responsibility portion of their hospital charges,
28 which may be reduced by amounts reasonably related to assets
29 considered pursuant to (c) of this subsection.

30 (b) At a minimum, a hospital not subject to (a) of this
31 subsection shall grant charity care per the following guidelines:

32 (i) All patients and their guarantors whose income is not more
33 than 200 percent of the federal poverty level, adjusted for family
34 size, shall be deemed charity care patients for the full amount of
35 the patient responsibility portion of their hospital charges;

36 (ii) All patients and their guarantors whose income is between
37 201 and 250 percent of the federal poverty level, adjusted for family
38 size, shall be entitled to a 75 percent discount for the full amount
39 of the patient responsibility portion of their hospital charges,

1 which may be reduced by amounts reasonably related to assets
2 considered pursuant to (c) of this subsection; and

3 (iii) All patients and their guarantors whose income is between
4 251 and 300 percent of the federal poverty level, adjusted for family
5 size, shall be entitled to a 50 percent discount for the full amount
6 of the patient responsibility portion of their hospital charges,
7 which may be reduced by amounts reasonably related to assets
8 considered pursuant to (c) of this subsection.

9 (c) (i) If a hospital considers the existence, availability, and
10 value of assets in order to reduce the discount extended, it must
11 establish and make publicly available a policy on asset
12 considerations and corresponding discount reductions.

13 (ii) If a hospital considers assets, the following types of
14 assets shall be excluded from consideration:

15 (A) The first \$5,000 of monetary assets for an individual or
16 \$8,000 of monetary assets for a family of two, and \$1,500 of monetary
17 assets for each additional family member. The value of any asset that
18 has a penalty for early withdrawal shall be the value of the asset
19 after the penalty has been paid;

20 (B) Any equity in a primary residence;

21 (C) Retirement plans other than 401(k) plans;

22 (D) One motor vehicle and a second motor vehicle if it is
23 necessary for employment or medical purposes;

24 (E) Any prepaid burial contract or burial plot; and

25 (F) Any life insurance policy with a face value of \$10,000 or
26 less.

27 (iii) In considering assets, a hospital may not impose procedures
28 which place an unreasonable burden on the responsible party.
29 Information requests from the hospital to the responsible party for
30 the verification of assets shall be limited to that which is
31 reasonably necessary and readily available to substantiate the
32 responsible party's qualification for charity sponsorship and may not
33 be used to discourage application for such sponsorship. Only those
34 facts relevant to eligibility may be verified and duplicate forms of
35 verification may not be demanded.

36 (A) In considering monetary assets, one current account statement
37 shall be considered sufficient for a hospital to verify a patient's
38 assets.

1 (B) In the event that no documentation for an asset is available,
2 a hospital shall rely upon a written and signed statement from the
3 responsible party.

4 (iv) Asset information obtained by the hospital in evaluating a
5 patient for charity care eligibility shall not be used for collection
6 activities.

7 (v) Nothing in this section prevents a hospital from considering
8 assets as required by the centers for medicare and medicaid services
9 related to medicare cost reporting.

10 (6) Each hospital shall post and prominently display notice of
11 charity care availability. Notice must be posted in all languages
12 spoken by more than ten percent of the population of the hospital
13 service area. Notice must be displayed in at least the following
14 locations:

15 (a) Areas where patients are admitted or registered;

16 (b) Emergency departments, if any; and

17 (c) Financial service or billing areas where accessible to
18 patients.

19 (7) Current versions of the hospital's charity care policy, a
20 plain language summary of the hospital's charity care policy, and the
21 hospital's charity care application form must be available on the
22 hospital's website. The summary and application form must be
23 available in all languages spoken by more than ten percent of the
24 population of the hospital service area.

25 (8) (a) All hospital billing statements and other written
26 communications concerning billing or collection of a hospital bill by
27 a hospital must include the following or a substantially similar
28 statement prominently displayed on the first page of the statement in
29 both English and the second most spoken language in the hospital's
30 service area:

31 You may qualify for free care or a discount on your hospital
32 bill, whether or not you have insurance. Please contact our
33 financial assistance office at [website] and [phone number].

34 (b) Nothing in (a) of this subsection requires any hospital to
35 alter any preprinted hospital billing statements existing as of
36 October 1, 2018.

37 (9) Hospital obligations under federal and state laws to provide
38 meaningful access for limited English proficiency and non-English-
39 speaking patients apply to information regarding billing and charity
40 care. Hospitals shall develop standardized training programs on the

1 hospital's charity care policy and use of interpreter services, and
2 provide regular training for appropriate staff, including the
3 relevant and appropriate staff who perform functions relating to
4 registration, admissions, or billing.

5 (10) Each hospital shall make every reasonable effort to
6 determine:

7 (a) The existence or nonexistence of private or public
8 sponsorship which might cover in full or part the charges for care
9 rendered by the hospital to a patient;

10 (b) The annual family income of the patient as classified under
11 federal poverty income guidelines as of the time the health care
12 services were provided, or at the time of application for charity
13 care if the application is made within two years of the time of
14 service, the patient has been making good faith efforts towards
15 payment of health care services rendered, and the patient
16 demonstrates eligibility for charity care; and

17 (c) The eligibility of the patient for charity care as defined in
18 this chapter and in accordance with hospital policy. An initial
19 determination of sponsorship status shall precede collection efforts
20 directed at the patient.

21 (11) At the hospital's discretion, a hospital may consider
22 applications for charity care at any time, including any time there
23 is a change in a patient's financial circumstances.

24 (12) The department shall monitor the distribution of charity
25 care among hospitals, with reference to factors such as relative need
26 for charity care in hospital service areas and trends in private and
27 public health coverage. The department shall prepare reports that
28 identify any problems in distribution which are in contradiction of
29 the intent of this chapter. The report shall include an assessment of
30 the effects of the provisions of this chapter on access to hospital
31 and health care services, as well as an evaluation of the
32 contribution of all purchasers of care to hospital charity care.

33 (13) The department shall issue a report on the subjects
34 addressed in this section at least annually, with the first report
35 due on July 1, 1990.

36 NEW SECTION. **Sec. 3.** This act applies prospectively only to
37 care provided on or after July 1, 2022. This act does not affect the
38 ability of a patient who received care prior to July 1, 2022, to

1 receive charity care under RCW 70.170.020 and 70.170.060 as the
2 sections existed before that date."

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3 On page 1, line 1 of the title, after "act;" strike the remainder
4 of the title and insert "amending RCW 70.170.020 and 70.170.060; and
5 creating a new section."

EFFECT: Expands category 1 hospitals to include behavioral health hospitals. Reduces the discount levels that category 2 hospitals are required to provide so that patients at 201-250% FPL receive a 75% discount, patients at 251-300% FPL receive a 50% discount, and patients at 301-400% FPL no longer receive a discount. Modifies the definition of indigent person to reflect the changes to category 2 hospitals. Clarifies hospitals are not required to provide charity care if they determine the patient qualifies for retroactive Medicaid coverage. Prohibits hospitals from imposing application procedures for charity care that place an unreasonable burden on the patient. Expands the list of assets that hospitals must exclude from their asset considerations to include \$8,000 of monetary assets for a family of two and \$1,500 of monetary assets for each additional family member, a second vehicle needed for employment or medical purposes, prepaid burial contract or plot, and a life insurance policy of \$10,000 or less. Requires the value of any asset with an early withdrawal penalty be the value after the penalty has been paid for the purposes of asset considerations.

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