
Health Care & Wellness Committee

HB 1616

Brief Description: Concerning the charity care act.

Sponsors: Representatives Simmons, Cody, Bateman, Valdez, Davis, Macri, Slatter, Pollet and Taylor; by request of Attorney General.

Brief Summary of Bill

- Establishes minimum charity care requirements for hospitals such that patients below 300 percent of the federal poverty level (FPL) receive coverage for the full amount of their charges, patients from 301 percent up to 350 percent of the FPL receive coverage for 75 percent of their charges, and patients from 351 percent up to 400 percent of the FPL receive coverage for 50 percent of their charges.
- Expands the application of hospital charity care requirements to include clinics affiliated with a hospital.

Hearing Date: 1/13/22

Staff: Christopher Blake (786-7392).

Background:

Each hospital must develop, implement, and maintain: (1) a charity care policy to enable persons below the federal poverty level (FPL) to access appropriate, hospital-based medical services; and (2) a sliding fee schedule for determining discounts for qualifying patients. "Charity care" is defined as medically necessary hospital care provided to indigent persons to the extent that they are unable to pay for the care or the deductibles or coinsurance amounts required by a third-party payer.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

The charity care standards require that a patient whose family income is at or below 100 percent of the FPL must receive charity care for the full amount of hospital charges, unless third party coverage applies. Under Department of Health regulations, a patient whose family income is 101 to 200 percent of the FPL 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 FPL as indigent based on the person's financial circumstances.

Summary of Bill:

The requirements that: (1) hospitals develop, implement, and maintain a sliding fee schedule for providing charity care; (2) the Department of Health develop guidelines for the development of sliding fee schedules; and (3) persons with incomes below 100 percent of the federal poverty level (FPL) receive charity care for the full amount of hospital charges are replaced with new charity care policy standards. The new minimum standards for hospital charity care policies require patients and their guarantors whose income is:

- not more than 300 percent of the FPL, adjusted for family size, be deemed charity care patients for the full amount of their hospital charges;
- between 301 percent and 350 percent of the FPL, adjusted for family size, be entitled to a 75 percent discount for the full amount of their hospital charges; and
- between 351 percent and 400 percent of the FPL, adjusted for family size, be entitled to a 50 percent discount for the full amount of their hospital charges.

The requirement that hospitals develop, implement, and maintain a charity care policy to enable persons below the FPL to access appropriate, hospital-based medical services is changed to apply to indigent persons accessing charity care, rather than persons below the FPL accessing hospital-based medical services. The term "indigent person" is defined as a patient, or the patient's guarantor, whose income is no more than 400 percent of the FPL, adjusted for family size. In addition to applying to hospitals, the term "charity care" is expanded to also apply to health care provided to indigent persons at a clinic affiliated with a hospital.

Appropriation: None.

Fiscal Note: Requested on January 4, 2022.

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