

SENATE BILL REPORT

SHB 1616

As of February 16, 2022

Title: An act relating to the charity care act.

Brief Description: Concerning the charity care act.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Simmons, Cody, Bateman, Valdez, Davis, Macri, Slatter, Pollet and Taylor; by request of Attorney General).

Brief History: Passed House: 2/2/22, 63-33.

Committee Activity: Health & Long Term Care: 2/18/22.

Brief Summary of Bill

- Modifies the existing charity care sliding fee schedule requirements by establishing two categories of hospitals with different income thresholds for patients to receive charity care.
- Increases the income threshold for patients to receive charity care.
- Allows hospitals to factor in a patient's assets when determining the amount of charity care a patient receives.
- Requires hospital charity care policies to include procedures for assisting patients with applying for Medicaid or coverage through the Washington Health Benefit Exchange.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: LeighBeth Merrick (786-7445)

Background: State law prohibits hospitals from denying patients access to emergency care because of the inability to pay. Hospitals are required to have a charity care policy that

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allows individuals below the federal poverty level (FPL) to access appropriate, hospital-based medical services, and a sliding fee schedule for determining how much an individual receiving charity care pays for their hospital visit. Patients whose family income is below 100 percent of the FPL must receive charity care for the full amount of their 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 provide charity care to patients whose family income is over 200 percent of the FPL.

Summary of Bill: The requirements for hospitals to have a sliding fee schedule and provide charity care for the full hospital charges to patients below 100 percent FPL are replaced with new minimum requirements. Two categories of hospitals are established, each with different minimum requirements for providing charity care. Individuals up to 400 percent of the FPL are required to receive some level of charity care.

The first category includes acute care hospitals that (1) are owned or operated by a health system that owns or operates three or more acute care hospitals in Washington; (2) have over 300 licensed beds located in the most populous county in the state; or (3) have over 200 licensed beds located in a county with at least 450,000 residents and located on Washington's southern border. For hospitals in this category, the minimum standards require patients and their guarantors whose family income is:

- not more than 300 percent of the FPL receive charity care for the full amount of their portion of the hospital charges;
- between 301 percent and 350 percent of the FPL receive a 75 percent discount for the full amount of their portion of the hospital charges; and
- between 351 percent and 400 percent of the FPL receive a 50 percent discount for the full amount of their portion of the hospital charges.

The second category includes all hospitals that do not meet the criteria for the first category. For these hospitals, the minimum standards require patients and their guarantors whose family income is:

- not more than 200 percent of the FPL receive charity care for the full amount of their portion of the hospital charges;
- between 201 percent and 300 percent of the FPL receive a 75 percent discount for the full amount of their portion of the hospital charges;
- between 301 percent and 350 percent of the FPL receive a 50 percent discount for the full amount of their portion of the hospital charges; and
- between 351 percent and 400 percent of the FPL, receive a 25 percent discount for the full amount of their portion of the hospital charges.

For patients who are not receiving charity care for the full amount of their charges, a hospital may reduce the patient's discount based on their assets. The hospital must maintain a policy regarding such asset consideration and corresponding discounts, and make it publicly available. A hospital may not consider a minimum of \$5,000 of monetary assets,

any equity in a primary residence, retirement plans other than 401(k) plans, and one motor vehicle. A hospital may not impose procedures that are an unreasonable burden on the responsible person. Information requests to verify assets are limited to those reasonably necessary and readily available, and may not be used to discourage applications. When considering monetary assets, one current account statement is sufficient for asset verification. If no documentation for an asset is available, a written and signed statement from the party is adequate. The hospital may not use asset information for collection activities.

A hospital's charity care policy must include procedures for identifying patients who may be eligible for health care coverage through public medical assistance programs or the Washington Health Benefit Exchange. The hospital must actively assist patients to apply for any available coverage. If the hospital has identified the patient as potentially eligible for retroactive health care coverage through medical assistance programs and the patient or the patient's guarantor refuses to apply for the coverage, the hospital is not obligated to provide any charity care to the patient.

The new charity care requirements only apply to care provided on or after July 1, 2022, and care provided before that date is governed by the previous charity care requirements.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.