General Assembly **Amendment**

January Session, 2011 LCO No. **8040**

SB000110804OSR0

Offered by:
SEN. FASANO, 34th Dist.

To: Subst. Senate Bill No. **11** File No. 203 Cal. No. 157

"AN ACT CONCERNING THE RATE APPROVAL PROCESS FOR CERTAIN HEALTH INSURANCE POLICIES."

After the last section, add the following and renumber sections and internal references accordingly:

"Sec. 501. (NEW) (*Effective October 1, 2011*) As used in sections 501 to 508, inclusive, of this act:

(1) "Alternative payment arrangement" means a method of paying for billed charges, not including lump sum payments or payments on a delayed basis;

(2) "Charity care" means health care services provided to a self-pay patient at either no cost or reduced cost;

(3) "Department" means the Department of Public Health;

(4) "Health facility" means a hospital licensed pursuant to chapter 368 of the general statutes or an outpatient surgical facility licensed pursuant to chapter 368v of the general statutes;

(5) "Self-pay patient" means a patient who does not have coverage under a health insurance plan, Medicare, Medicaid or other government program, and may include charity care patients;

(6) "Self-pay program" means a program developed by a health facility that includes, but is not limited to, (A) reduced charges for self-pay patients with incomes at or below one hundred twenty-five per cent of the federal poverty level, with charges under the program based on percentages of the amount paid under Medicare; and (B) alternative payment arrangements for self-pay patients with incomes in excess of one hundred twenty-five per cent of the federal poverty level.

Sec. 502. (NEW) (*Effective October 1, 2011*) (a) A health facility shall develop a self-pay program and shall provide each self-pay patient with information on its self-pay program as a condition of admission for the provision of nonemergency health care services. A health facility shall provide information on its self-pay program to patients admitted for emergency health care services as soon as reasonably practicable.

(b) A health facility shall develop and implement an application form and procedures for self-pay patients to apply for reduced charges or an alternative payment arrangement. A health facility shall design the application form and procedures in a manner calculated to encourage self-pay patients to participate in the self-pay program.

Sec. 503. (NEW) (*Effective October 1, 2011*) (a) A health facility shall make available to the public on its Internet web site, in downloadable format, a copy of its self-pay program.

(b) A health facility shall post a clear and conspicuous notice informing patients of the health facility's self-pay program and the availability of written materials concerning the self-pay program in the following locations within such facility, if applicable: (1) Reception areas open to the public, (2) billing offices, and (3) admissions offices.

(c) On April 1, 2012, and every three months thereafter, a health facility shall provide a report to the department identifying the number of patients that applied for the health facility's self-pay program and the number of patients accepted for reduced charges under the self-pay program.

Sec. 504. (NEW) (*Effective October 1, 2011*) (a) A health facility shall not, as a condition of admission or the provision of nonemergency services, require a patient or a patient's representative to sign any form that requires or binds the patient or the patient's representative to (1) make an unspecified or unlimited payment to the health facility, or (2) waive the patient's right to appeal billed charges.

(b) A health facility may require a financial commitment from a patient or a patient's representative for nonemergency services only if the health facility provides the patient or the patient's representative with an initial written estimate of charges for those items and services provided by the health facility, its contractors and the physicians based at the health facility that are generally required to treat the patient's condition. A health facility shall notify a patient or a patient's representative of any revision to such initial estimate in a timely manner. If the health facility makes a revision to the initial estimate that exceeds the total of the initial estimate by (1) twenty per cent or more, or (2) one thousand dollars, then any financial commitment made by the patient or the patient's representative shall be void.

(c) A health facility shall not provide nonemergency services to a patient unless the health facility provides the patient with written notice of the availability of the health facility's current pricemaster, as provided in section 19a-681 of the general statutes.

(d) A health facility may charge a patient, or a third-party payor acting on behalf of the patient, for additional treatment, services or supplies rendered as a result of unanticipated complications or unforeseen circumstances arising out of the provision of nonemergency services, if such charges are itemized on the patient's

bill.

(e) A health facility shall provide a patient with (1) the specific charge or charges for each medical service or item rendered by the health facility; and (2) the amount that would be paid under the Medicare program for each such service or item, including the amount of any required cost sharing, and excluding the amount of any add-on or supplemental Medicare payments such as graduate medical education or the disproportionate share or critical access hospital adjustment.

(f) A health facility shall not condition the provision of heath care services to a patient upon the patient waiving any provision of this act.

Sec. 505. (NEW) (*Effective October 1, 2011*) (a) A patient or a patient's representative shall have the right to appeal any charges in a health facility bill issued to a patient, including charges from any of the health facility's contractors or facility-based medical providers. A health facility shall require that a bill issued to a patient or a patient's representative include the following clear and conspicuous disclosure at the bottom of the bill, in all capital letters of not less than twelve-point boldface type of uniform font and in an easily readable style: "YOU HAVE THE RIGHT TO APPEAL ANY OF THE CHARGES IN THIS BILL."

(b) A patient, or a patient's representative with written authorization, shall have unlimited access to the patient's complete medical record and all health facility billing records relating to the patient's bill for purposes of determining the appropriateness and correctness of all charges. A health facility may not charge any fee for such access, but may charge a reasonable fee for copies of records in accordance with section 20-7c of the general statutes. A request for access to medical records pursuant to this subsection may be restricted in accordance with subsections (d) and (e) of section 20-7c of the general statutes.

(c) A health facility shall establish an impartial method for

reviewing billing appeals that includes, but is not limited to, (1) review by an individual not involved in the initial billing, and (2) provision of a written decision with a clear explanation of the grounds for the decision to the patient or the patient's representative, and the department, not later than thirty days after the date the health facility conducts such review.

(d) A health facility shall maintain a complete and accurate log of all appeals conducted pursuant to subsection (c) of this section. Such log shall include, but not be limited to, (1) the name of the patient or patient's representative making the appeal, (2) the basis for the appeal, (3) the charges in the bill, (4) the amount of the charges being appealed, and (5) the disposition of the appeal.

(e) Not later than January 1, 2013, and annually thereafter, a health facility shall report to the department (1) the number of appeals, (2) the total number and amount of charges subject to appeal, and (3) a summary of the dispositions of the appeals.

Sec. 506. (NEW) (*Effective October 1, 2011*) (a) The department may suspend or revoke any license or permit issued to a health facility for a violation of any provision of this act. Alternatively, the department may impose upon a health facility a civil penalty of not more than five thousand dollars for each violation of any provision of this act.

(b) Any action taken by the department pursuant to this section shall not preclude any other remedy by an individual, health insurance plan or other party that is available under contract or any other provision of law.

(c) Any person may file a claim with the department alleging a violation of the provisions of this act. The department shall investigate an alleged violation and shall, not later than thirty days after completing such investigation, inform the person filing the claim of the results of the investigation.

Sec. 507. (NEW) (*Effective October 1, 2011*) (a) The department shall

make public and post on its Internet web site a summary of the reports submitted pursuant to sections 503 and 505 of this act.

(b) Not later than July 1, 2013, and annually thereafter, the department shall submit a report to the joint standing committee of the General Assembly having cognizance of matters relating to public health, in accordance with the provisions of section 11-4a of the general statutes, that includes, but is not limited to, the following:

(1) The number of self-pay patients applying for and receiving reduced charges under self-pay programs;

(2) The number of investigations conducted by the department for alleged violations of the provisions of this act;

(3) The number of violations of the provisions of this act;

(4) The name of each health facility that violated the provisions of this act; and

(5) The department's response to each health facility found to have violated the provisions of this act.

Sec. 508. (NEW) (*Effective October 1, 2011*) Any patient data collected or reported pursuant to the provisions of this act shall be maintained in accordance with state and federal law, including, but not limited to, the Gramm-Leach-Bliley Act, P.L. 106-102, as codified in 12 USC 1811 et seq., and privacy regulations established pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, as amended from time to time, and contained in 45 CFR 160, 164."