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## **OLR Bill Analysis**

### **sHB 6740**

#### ***AN ACT CONCERNING HOSPITAL FINANCIAL POLICIES.***

#### **SUMMARY**

Starting October 1, 2023, this bill requires hospitals to provide financial assistance to patients, regardless of their immigration status, if they are enrolled in certain federal nutrition assistance programs and have a verified household income at or below 250% of the federal poverty level (FPL). The financial assistance must cover all medically necessary services and supplies.

The bill sets related eligibility and application requirements and specifically allows the attorney general to investigate alleged violations and issue subpoenas and written interrogatories for the investigation.

Among other related changes, the bill does the following:

1. generally prohibits hospitals from referring patients to collection agents, or bringing a court action to collect unpaid bills, unless they determined that the patient is uninsured and not eligible for financial assistance (§ 1);
2. adds to the information that hospitals must annually report to the Office of Health Strategy (OHS) on their financial assistance policies, such as the race, ethnicity, and insurance status of all patients who applied for and received assistance and against whom action was taken to collect unpaid bills (§ 3);
3. requires hospitals, upon request, to make available a one-page plain language summary describing its financial assistance policy in each language spoken by at least 5% of the population in the hospital's service area (§ 4);

4. requires hospitals to offer payment plans totaling no more than 2% of household income per year for patients who apply for financial assistance but are determined to be ineligible (§ 4);
5. prohibits hospitals or collection agents from charging interest on the medical debt of patients who are eligible for financial assistance (§ 4); and
6. requires hospitals to train staff on their financial assistance programs, including eligibility requirements and application procedures (§ 4).

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2023

### **§ 1 — INITIATION OF DEBT COLLECTION**

The bill generally prohibits a hospital from referring a patient's unpaid bill to a collection agent or initiating an action against a patient or his or her estate, unless it determined that the patient is uninsured and not eligible for financial assistance.

Existing law already requires hospitals to determine that the patient is ineligible for a hospital bed fund before initiating debt collection. (Generally, a hospital bed fund refers to donations of money, stock, or other property to a hospital to provide free patient care.)

### **§§ 2 & 3 — HOSPITAL FINANCIAL ASSISTANCE**

#### ***Eligibility***

Starting October 1, 2023, the bill requires hospitals to patients financial assistance that (1) partially or wholly reduces a patient's liability for the cost of care and (2) covers all medically necessary services and supplies. They must do this, regardless of patients' immigration status, under the following conditions:

1. the patients are enrolled in either of the following two federal assistance programs: (a) Supplemental Nutrition Assistance Program (SNAP) or (b) Special Supplemental Food Program for

Women, Infants, and Children (WIC) and

2. the hospital verified the patient's household income does not exceed 250% of the FPL (currently \$49,300 for a family of two) without an asset limit, using software that conforms to industry standards for electronic income verification.

The bill prohibits hospitals from first requiring these patients, before receiving financial assistance, to apply for the Connecticut Medical Assistance Program (i.e., "CMAP", which is Medicaid and HUSKY B), Medicare, or other government-funded coverage or insurance through Access Health CT, unless the hospital reasonably believes that the patient will qualify for one or more of these programs.

### ***Application***

By January 1, 2024, the bill requires the OHS Health Systems Planning Unit (HSPU) to develop a uniform hospital financial assistance application, which hospitals must accept. HSPU must do this in consultation with a hospital association and post the application on its website. It may also periodically revise the application, as its executive director deems necessary.

The bill requires hospitals, within 90 days after HSPU posts the application on its website, to make it available in their patient admissions office, emergency department, social services department, and patient accounts or billing office.

Hospitals must include (1) the application's internet link on all hospital billing statements and (2) a paper copy of the application in patients' discharge paperwork.

Under the bill, a hospital must give a patient the application form if it reasonably believes, during the admissions process or when it reviews the patient's financial resources, that the patient may have insufficient funds to pay any part of his or her hospitalization that is not covered by insurance. Hospitals must also require their collections agents to include the form in each bill and collection notice sent to patients.

### ***Annual Report***

By law, hospitals must file annually with HSPU their policies on charity care and financial assistance to the indigent and their debt collection practices.

The bill adds the following to the information that must be included in the filing:

1. the number of patients who request or are reasonably believed to need financial assistance;
2. the number of patients the hospital directly helped apply for financial assistance and the number it provided language translation services to; and
3. the race, ethnicity, and insurance status of all patients who (a) applied for assistance, (b) were granted assistance, (c) were referred to collection agencies for unpaid bills, and (d) were sued to collect that debt.

The law, unchanged by the bill, already requires hospitals to report (1) the number of applicants for charity care and financial assistance, (2) the number of approved applicants, and (3) the total and average values of charity care and financial assistance provided.

### **§ 4 — HOSPITAL BED FUND PATIENT SUMMARIES**

Existing law requires each hospital that maintains or administers bed funds to make available to patients a one-page plain language summary in English and Spanish on its financial assistance policy. The bill requires hospitals, upon request, to also make the summary available in each language spoken by at least 5% of the population that lives in the hospital's service area.

The bill also prohibits the summary from including a statement suggesting that patients must apply for CMAP, Medicare, or other government-funded coverage or insurance through Access Health CT.

Additionally, the bill requires hospitals to include (1) the internet link

where the summary is posted on all hospital billing statements and (2) a paper copy of the summary in patients' discharge paperwork.

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea 25 Nay 12 (03/27/2023)