



General Assembly

Substitute Bill No. 6740

January Session, 2023



AN ACT CONCERNING HOSPITAL FINANCIAL POLICIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 19a-673b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2023*):

3 (a) As used in this section:

4 (1) "Affiliated with" means (A) employed by a hospital or health
5 system, (B) under a professional services agreement with a hospital or
6 health system that permits such hospital or health system to bill on
7 behalf of such entity, or (C) a clinical faculty member of a medical
8 school, as defined in section 33-182aa, who is affiliated with a hospital
9 or health system in a manner that permits such hospital or health system
10 to bill on behalf of such clinical faculty member.

11 (2) "Owned by" means owned by a hospital or health system when
12 billed under the hospital's tax identification number.

13 (3) "Hospital financial assistance" means any program administered
14 by a hospital that reduces, in whole or in part, a patient's liability for the
15 cost of providing services, as defined in section 19a-673.

16 (b) No hospital, as defined in section 19a-490, or entity that is owned

17 by or affiliated with such hospital shall refer to a collection agent, as
18 defined in section 19a-509b, as amended by this act, or initiate an action
19 against an individual patient or such patient's estate to collect fees
20 arising from health care provided at a hospital or entity that is owned
21 by or affiliated with such hospital on or after October 1, 2003, unless the
22 hospital or entity that is owned by or affiliated with such hospital has
23 determined that such individual patient is an uninsured patient, as
24 defined in section 19a-673, who is ineligible for the hospital bed fund or
25 hospital financial assistance.

26 (c) On or after October 1, 2022, no hospital or entity that is owned by
27 or affiliated with such hospital, as defined in section 19a-490, and no
28 collection agent, as defined in section 19a-509b, as amended by this act,
29 that receives a referral from a hospital or entity that is owned by or
30 affiliated with such hospital, shall:

31 (1) Report an individual patient to a credit rating agency, as defined
32 in section 36a-695, for a period of one year beginning on the date that
33 such patient first receives a bill for health care provided by the hospital
34 or entity that is owned by or affiliated with such hospital to such patient
35 on or after October 1, 2022;

36 (2) Initiate an action to foreclose a lien on an individual patient's
37 primary residence if the lien was filed to secure payment for health care
38 provided by the hospital or entity that is owned by or affiliated with
39 such hospital to such patient on or after October 1, 2022; or

40 (3) Apply to a court for an execution against an individual patient's
41 wages pursuant to section 52-361a, or otherwise seek to garnish such
42 patient's wages, to collect payment for health care provided by the
43 hospital or entity that is owned by or affiliated with such hospital to
44 such patient on or after October 1, 2022, if such patient is eligible for the
45 hospital bed fund.

46 (d) Nothing in subsection (b) or (c) of this section shall affect the
47 ability of a hospital or entity that is owned by or affiliated with such

48 hospital to initiate an action against an individual patient or such
49 patient's estate to collect coinsurance, deductibles or fees arising from
50 health care provided at a hospital or entity that is owned by or affiliated
51 with such hospital where such coinsurance, deductibles or fees may be
52 eligible for reimbursement through awards, settlements or judgments
53 arising from claims, suits or proceedings. In addition, nothing in said
54 subsections shall affect the ability of a hospital or entity that is owned
55 by or affiliated with such hospital to initiate an action against an
56 individual patient or such patient's estate where payment or
57 reimbursement has been made, or likely is to be made, directly to the
58 patient.

59 Sec. 2. (NEW) (*Effective October 1, 2023*) (a) As used in this section, (1)
60 "hospital" has the same meaning as provided in section 19a-490 of the
61 general statutes; and (2) "hospital financial assistance" means any
62 program administered by a hospital that reduces, in whole or in part, a
63 patient's liability for the cost of providing services, as defined in section
64 19a-673 of the general statutes.

65 (b) On and after October 1, 2023, each hospital shall provide hospital
66 financial assistance to any patient, regardless of such patient's
67 immigration status, who is enrolled in (1) the federal Supplemental
68 Nutrition Assistance Program, or (2) the federal Special Supplemental
69 Food Program for Women, Infants and Children, provided such
70 hospital has verified that the patient's household income does not
71 exceed two hundred fifty per cent of the federal poverty level, without
72 an asset limit, using software that conforms to industry standards
73 concerning electronic income verification. Such hospital shall not
74 require the patient to apply for the Connecticut medical assistance
75 program, Medicare, other government-funded coverage or insurance
76 through the Connecticut Health Insurance Exchange prior to providing
77 hospital financial assistance, unless the hospital has a reasonable basis
78 to believe that the patient will qualify for one or more of such programs.

79 (c) If a hospital provides hospital financial assistance to a patient
80 pursuant to subsection (b) of this section, such financial assistance shall

81 cover all of the services and supplies that are medically necessary for
82 the patient.

83 (d) Not later than January 1, 2024, the Health Systems Planning Unit
84 of the Office of Health Strategy shall develop, in consultation with an
85 association of hospitals in the state, a uniform application for hospital
86 financial assistance and make such application available on the unit's
87 Internet web site. Each hospital shall accept such application when filed
88 by a patient seeking hospital financial assistance pursuant to subsection
89 (b) of this section. The Health Systems Planning Unit of the Office of
90 Health Strategy may periodically revise such application, as deemed
91 necessary by the executive director of said unit. Not later than ninety
92 days after the unit posts such application on its Internet web site, each
93 hospital shall make such form available in the hospital's patient
94 admissions office, emergency department, social services department
95 and patient accounts or billing office. Each hospital shall include (1) the
96 link to the Internet web site where such form is posted on all billing
97 statements issued by the hospital, and (2) a paper copy of such form in
98 hospital discharge paperwork provided to each patient. If a hospital
99 reasonably believes, during the admissions process or its review of the
100 financial resources of a patient, that the patient may have insufficient
101 funds to pay for any portion of the patient's hospitalization that is not
102 covered by the patient's insurance, the hospital shall provide such form
103 to the patient. Each hospital shall require each of its collection agents to
104 include such form in each bill and collection notice the collection agent
105 sends to a patient.

106 (e) The Attorney General may investigate the facts and circumstances
107 concerning any alleged violation of this section and, in connection with
108 such investigation, issue subpoenas and written interrogatories in the
109 same manner and to the same extent as provided in section 35-42 of the
110 general statutes.

111 Sec. 3. Section 19a-649 of the general statutes is repealed and the
112 following is substituted in lieu thereof (*Effective October 1, 2023*):

113 (a) The unit shall review annually the level of uncompensated care
114 provided by each hospital to the indigent. Each hospital shall file
115 annually with the unit its policies regarding the provision of charity care
116 and [reduced cost services to the indigent] hospital financial assistance,
117 as defined in section 2 of this act, excluding medical assistance
118 recipients, and its debt collection practices. A hospital shall file its
119 audited financial statements not later than February twenty-eighth, [of
120 each year] annually, except a health system, as defined in section 19a-
121 508c, may file one such statement that includes the audited financial
122 statements for each hospital within the health system. Not later than
123 March thirty-first, [of each year] annually, the hospital shall file a
124 verification of the hospital's net revenue for the most recently completed
125 fiscal year in a format prescribed by the unit.

126 (b) Each hospital shall annually report, along with data submitted
127 pursuant to subsection (a) of this section, (1) the number of applicants
128 for charity care and [reduced cost services, (2)] hospital financial
129 assistance, (2) the number of patients requesting or reasonably believed
130 to have a need for hospital financial assistance pursuant to section 2 of
131 this act, (3) the number of approved applicants [, and (3)] for charity care
132 and hospital financial assistance, (4) the total and average charges and
133 costs of the amount of charity care and [reduced cost services provided]
134 hospital financial assistance provided, (5) the number of patients a
135 hospital directly assisted in applying for hospital financial assistance, (6)
136 the number of patients a hospital provided with language translation
137 assistance in applying for hospital financial assistance, (7) the race,
138 ethnicity and insurance status of all applicants for hospital financial
139 assistance, including such applicants whom the hospital reasonably
140 believed to have a need for such assistance pursuant to section 2 of this
141 act, (8) the race, ethnicity and insurance status of all patients approved
142 for hospital financial assistance, (9) the race, ethnicity and insurance
143 status of all patients whose hospital debt was referred to a collection
144 agent, and (10) the race, ethnicity and insurance status of all patients
145 sued by the hospital or its collection agent for the purpose of collecting
146 a debt.

147 (c) Each hospital recognized as a nonprofit organization under
148 Section 501(c)(3) of the Internal Revenue Code of 1986, or any
149 subsequent corresponding internal revenue code of the United States,
150 as amended from time to time, shall, along with data submitted
151 annually pursuant to subsection (a) of this section, submit to the unit (1)
152 a complete copy of such hospital's most-recently completed Internal
153 Revenue Service form 990, including all parts and schedules; and (2) in
154 the form and manner prescribed by the unit, data compiled to prepare
155 such hospital's community health needs assessment, as required
156 pursuant to Section 501(r) of the Internal Revenue Code of 1986, or any
157 subsequent corresponding internal revenue code of the United States,
158 as amended from time to time, provided such copy and data submitted
159 pursuant to this subsection shall not include: (A) Individual patient
160 information, including, but not limited to, patient-identifiable
161 information; (B) information that is not owned or controlled by such
162 hospital; (C) information that such hospital is contractually required to
163 keep confidential or that is prohibited from disclosure by a data use
164 agreement; or (D) information concerning research on human subjects
165 as described in section 45 CFR 46.101 et seq., as amended from time to
166 time.

167 Sec. 4. Section 19a-509b of the general statutes is repealed and the
168 following is substituted in lieu thereof (*Effective October 1, 2023*):

169 (a) As used in this section, (1) "hospital bed fund" means any gift of
170 money, stock, bonds, financial instruments or other property made by
171 any donor for the purpose of establishing a fund to provide medical
172 care, including, but not limited to, inpatient or outpatient care, to
173 patients at a hospital. A hospital bed fund may be established by inter
174 vivos gift, bequest, subscription, solicitation, dedication or any other
175 means; (2) "hospital" [means hospital as defined] has the same meaning
176 as provided in section 19a-490; (3) "collection agent" means any person,
177 either employed by or under contract to, a hospital, who is engaged in
178 the business of collecting payment from consumers for medical services
179 provided by the hospital, and includes, but is not limited to, attorneys

180 performing debt collection activities; and (4) "hospital financial
181 assistance" has the same meaning as provided in section 2 of this act.

182 (b) (1) Each hospital which holds or administers one or more hospital
183 bed funds shall post or cause to be posted in a conspicuous public place
184 in each patient admitting location, including, but not limited to, the
185 admissions office, emergency room, social services department and
186 patient accounts or billing office, information in English and Spanish
187 regarding the availability of its hospital bed funds, in plain language in
188 a forty-eight to seventy-two point type size. Such information shall
189 include: (A) Notification of the existence of hospital bed funds and the
190 hospital's program to administer them, and (B) the person to contact for
191 application information.

192 (2) Each hospital [which has a hospital bed fund] shall train staff,
193 including but not limited to, hospital social workers, discharge planners
194 and billing personnel concerning the existence of [such fund] any
195 hospital bed fund and hospital financial assistance, the eligibility
196 requirements for any such fund and such financial assistance, and the
197 procedures for [application] a patient to apply for any such fund or
198 financial assistance.

199 (c) Each hospital [that holds or administers one or more hospital bed
200 funds] shall make available in a place and manner allowing individual
201 members of the public to easily obtain it, a one-page summary in
202 English and Spanish describing any hospital bed funds and hospital
203 financial assistance and how to apply for [them] such funds, if such
204 funds exist, and such financial assistance. Upon request, a hospital shall
205 make the summary available in each additional language spoken by at
206 least five per cent of the population that resides in the geographic area
207 served by the hospital. The summary shall also describe any other
208 policies regarding the provision of charity care and [reduced cost
209 services for the indigent] other financial assistance as reported by the
210 hospital to the Health Systems Planning Unit of the Office of Health
211 Strategy pursuant to section 19a-649, as amended by this act, and shall
212 clearly distinguish hospital bed funds and hospital financial assistance

213 from other sources of financial assistance. The summary shall include
214 (1) notification that the patient is entitled to reapply upon rejection, and
215 that additional funds may become available on an annual basis, and (2)
216 a link to the application for hospital financial assistance described in
217 section 2 of this act. The summary shall be available in the patient
218 admissions office, emergency room, social services department and
219 patient accounts or billing office, [, and from any collection agent] Each
220 hospital shall include the link to the Internet web site where the
221 summary is posted in all billing statements issued by the hospital and
222 include a paper copy of the summary in all hospital discharge
223 paperwork provided to each patient. If during the admission process or
224 during its review of the financial resources of the patient, the hospital
225 reasonably believes the patient will have limited funds to pay for any
226 portion of the patient's hospitalization not covered by insurance, the
227 hospital shall provide the summary to each such patient. The summary
228 shall comply with the plain language standards described in section 42-
229 152 and shall not include any statement that suggests that a patient is
230 required to apply for the Connecticut medical assistance program,
231 Medicare, other government-funded coverage or insurance through the
232 Connecticut Health Insurance Exchange.

233 (d) Each hospital [which holds or administers one or more hospital
234 bed funds] shall require its collection agents to include a summary as
235 provided in subsection (c) of this section in all bills and collection notices
236 sent by such collection agents.

237 (e) [Applicants] Each hospital shall notify an applicant for assistance
238 from hospital bed funds [shall be notified] or for hospital financial
239 assistance, in writing, of any award or any rejection and the reason for
240 such rejection. Patients who cannot pay any outstanding medical bill at
241 the hospital shall be allowed to apply or reapply for hospital bed funds
242 and other programs providing financial assistance. Each hospital shall
243 offer an applicant, who is deemed ineligible for hospital financial
244 assistance, a payment plan amounting to not more than two per cent of
245 the applicant's annual household income per year. No hospital nor

246 collection agent for a hospital may charge a patient interest on medical
247 debt if the patient is eligible for any financial assistance.

248 (f) Each hospital which holds or administers one or more hospital bed
249 funds shall maintain and annually compile, at the end of the fiscal year
250 of the hospital, the following information: (1) The number of
251 applications for hospital bed funds; (2) the number of patients receiving
252 hospital bed fund grants and the actual dollar amounts provided to each
253 patient from such fund; (3) the fair market value of the principal of each
254 individual hospital bed fund, or the principal attributable to each bed
255 fund if held in a pooled investment; (4) the total earnings for each
256 hospital bed fund or the earnings attributable to each hospital bed fund;
257 (5) the dollar amount of earnings reinvested as principal if any; and (6)
258 the dollar amount of earnings available for patient care. The information
259 compiled pursuant to this subsection shall be permanently retained by
260 the hospital and made available to the Health Systems Planning Unit
261 upon request.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	19a-673b
Sec. 2	October 1, 2023	New section
Sec. 3	October 1, 2023	19a-649
Sec. 4	October 1, 2023	19a-509b

PH *Joint Favorable Subst.*

FIN *Joint Favorable*