



# Senate

General Assembly

**File No. 539**

January Session, 2013

Substitute Senate Bill No. 992

*Senate, April 17, 2013*

The Committee on Public Health reported through SEN. GERRATANA of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING VARIOUS REVISIONS TO THE OFFICE OF HEALTH CARE ACCESS STATUTES.***

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

1 Section 1. Section 19a-649 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) The office shall review annually the level of uncompensated care  
4 provided by each hospital to the indigent. Each hospital shall file  
5 annually with the office its policies regarding the provision of charity  
6 care and reduced cost services to the indigent, excluding medical  
7 assistance recipients, and its debt collection practices. A hospital shall  
8 file its audited financial statements not later than February twenty-  
9 eighth of each year. Not later than March thirty-first of each year, the  
10 hospital shall file a verification of the hospital's net revenue for the  
11 most recently completed fiscal year in a format prescribed by the  
12 office.

13 (b) Each hospital shall annually report, along with data submitted

14 pursuant to subsection (a) of this section, (1) the number of applicants  
15 for charity care and reduced cost services, (2) the number of approved  
16 applicants, and (3) the total and average charges and costs of the  
17 amount of charity care and reduced cost services provided.

18 (c) Each hospital recognized as a nonprofit organization under  
19 Section 501(c)(3) of the Internal Revenue Code of 1986, or any  
20 subsequent corresponding internal revenue code of the United States,  
21 as amended from time to time, shall, along with data submitted  
22 annually pursuant to subsection (a) of this section, submit to the office  
23 (1) a complete copy of such hospital's most-recently completed Internal  
24 Revenue Service form 990, including all parts and schedules; and (2) in  
25 the form and manner prescribed by the office, data compiled to  
26 prepare such hospital's community health needs assessment, as  
27 required pursuant to Section 501(r) of the Internal Revenue Code of  
28 1986, or any subsequent corresponding internal revenue code of the  
29 United States, as amended from time to time.

30 Sec. 2. Subsection (a) of section 19a-653 of the general statutes is  
31 repealed and the following is substituted in lieu thereof (*Effective*  
32 *October 1, 2013*):

33 (a) Any person or health care facility or institution that is required  
34 to file a certificate of need for any of the activities described in section  
35 19a-638, and any person or health care facility or institution that is  
36 required to file data or information under any public or special act or  
37 under this chapter or sections 19a-486 to 19a-486h, inclusive, or any  
38 regulation adopted or order issued under this chapter or said sections,  
39 which wilfully fails to seek certificate of need approval for any of the  
40 activities described in section 19a-638 or to so file within prescribed  
41 time periods, shall be subject to a civil penalty of up to one thousand  
42 dollars a day for each day such person or health care facility or  
43 institution conducts any of the described activities without certificate  
44 of need approval as required by section 19a-638 or for each day such  
45 information is missing, incomplete or inaccurate. [Any health care  
46 facility or provider that fails to complete the inventory questionnaire,

47 as required by section 19a-634, shall not be subject to civil penalties  
 48 under this section.] Any civil penalty authorized by this section shall  
 49 be imposed by the Department of Public Health in accordance with  
 50 subsections (b) to (e), inclusive, of this section.

51 Sec. 3. Subsection (b) of section 19a-681 of the general statutes is  
 52 repealed and the following is substituted in lieu thereof (*Effective*  
 53 *October 1, 2013*):

54 (b) If the billing detail by line item on a detailed patient bill does not  
 55 agree with the detailed schedule of charges on file with the office for  
 56 the date of service specified on the bill, the hospital shall be subject to a  
 57 civil penalty of five hundred dollars per occurrence payable to the  
 58 state not later than fourteen days after the date of notification. The  
 59 penalty shall be imposed in accordance with section 19a-653, as  
 60 amended by this act. The office may issue an order requiring such  
 61 hospital, not later than fourteen days after the date of notification of an  
 62 overcharge to a patient, to adjust the bill to be consistent with the  
 63 schedule of charges on file with the office for the date of service  
 64 specified on the detailed patient bill. For purposes of this section,  
 65 "detailed patient bill" means a patient billing statement that includes,  
 66 in each line item, the hospital's current pricemaster code, a description  
 67 of the charge and the billed amount.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	19a-649
Sec. 2	<i>October 1, 2013</i>	19a-653(a)
Sec. 3	<i>October 1, 2013</i>	19a-681(b)

**PH**            *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

There is no fiscal impact to the Department of Public Health's (DPH's) Office of Health Care Access (OHCA) associated with requiring nonprofit hospitals to provide OHCA with their most recent Internal Revenue Service form 990, a community health needs assessment and a "detailed" patient bill. Furthermore, there is no fiscal impact anticipated from the elimination of a prohibition under CGS Sec. 19a-653 that restricted OHCA from imposing a civil penalty on any health care facility or provider that failed to complete an inventory questionnaire. It is not anticipated that OHCA will ultimately impose such penalties. To date, no civil penalty permitted by CGS Sec. 19a-653 has been assessed by OHCA.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

*Sources: Department of Public Health's Office of Health Care Access*

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**OLR Bill Analysis****sSB 992*****AN ACT CONCERNING VARIOUS REVISIONS TO THE OFFICE OF HEALTH CARE ACCESS STATUTES.*****SUMMARY:**

This bill requires nonprofit hospitals to submit annually to the Office of Health Care Access (OHCA) (1) a complete copy of the hospital's most recent Internal Revenue Service (IRS) Form 990, including all parts and schedules and (2) data compiled to prepare the hospital's community health needs assessment (see BACKGROUND), in the form and manner OHCA prescribes. The bill requires such hospitals to submit this information along with information they must already report concerning uncompensated care and related matters.

The bill allows the Department of Public Health (DPH) to impose civil penalties of up to \$1,000 per day on health care providers or facilities that wilfully fail to complete the questionnaire required as part of OHCA's statewide health care inventory.

It specifies certain details that patient bills must contain for purposes of the law subjecting hospitals to civil penalties and billing adjustments if a patient's bill conflicts with the hospital's schedule of charges on file with OHCA.

EFFECTIVE DATE: October 1, 2013

**CIVIL PENALTIES FOR FAILURE TO COMPLETE INVENTORY QUESTIONNAIRE**

By law, OHCA must conduct a statewide health care facility utilization study, and update its statewide health care facilities and services plan, every two years. As part of this process, OHCA must maintain an inventory of in-state health care facilities, services, and

specified equipment. Current law requires health care facilities and providers to complete an OHCA questionnaire to develop the inventory, but exempts them from penalties for failing to complete it.

The bill instead subjects health care facilities and providers to the general civil penalties that apply to persons or facilities that fail to file data or information with OHCA as required by law.

By law, anyone who wilfully fails to file required information with OHCA within the time periods required by law is subject to a civil penalty of up to \$1,000 for each day the information is missing, incomplete, or inaccurate. Before DPH can impose such civil penalties, it must notify the party by first class mail or personal service of the violation. The person or entity has 15 business days from the mailing date to apply in writing for a (1) hearing to contest the penalty or (2) time extension to file the data. A final order assessing the civil penalty can be appealed to New Britain Superior Court.

## **PATIENT BILLS**

By law, a hospital must file with OHCA its current pricemaster (its detailed schedule of charges). If the billing detail by line item on a patient bill does not agree with the information filed with OHCA, the hospital is subject to a civil penalty of \$500 per occurrence, subject to the procedures set forth above (e.g., the hospital has 15 business days to contest the penalty). OHCA can also order the hospital to adjust the bill to be consistent with the charges on file.

For these purposes, the bill replaces references to “patient bill” with “detailed patient bill.” It defines a detailed patient bill as a patient billing statement that includes, for each line item, (1) the hospital’s current pricemaster code, (2) a description of the charge, and (3) the billed amount.

## **BACKGROUND**

### ***IRS Form 990 and Community Health Needs Assessment***

The IRS Form 990 is the “Return of Organization Exempt From Income Tax” form. In practice, OHCA currently collects this form from

nonprofit hospitals on a voluntary basis.

The federal Patient Protection and Affordable Care Act (ACA) requires nonprofit hospitals to conduct community health needs assessments at least once every three years, and make the assessments widely available to the public. The ACA also requires such hospitals to include a description of how they are meeting the law's community health needs assessment requirements in their IRS Form 990 filing.

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea 23 Nay 5 (04/01/2013)