



House of Representatives

General Assembly

File No. 584

January Session, 2023

Substitute House Bill No. 6740

House of Representatives, April 13, 2023

The Committee on Public Health reported through REP. MCCARTHY VAHEY of the 133rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

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 Section 19a-673b of the general statutes is repealed and the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.

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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
UConn Health Ctr.	Various - Revenue Loss	2 million	2 million
UConn Health Ctr.	Various - Cost	245,000	245,000
Office of Health Strategy	IF - Cost	400,000	150,000

Note: Various=Various; IF=Insurance Fund

Municipal Impact: None

Explanation

The bill results in a significant revenue loss to UConn Health by requiring hospitals, starting October 1, 2023, to give 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. This would result in UConn Health receiving a reduction in payments from patients. It is estimated that approximately 22% of UConn Health patients with out-of-pocket balances after insurance would qualify for financial assistance, resulting in approximately \$2 million in underinsured balances adjusted off annually as financial assistance.

UConn Health would also require two additional Financial Counselors (annual salary of \$60,000) to process financial assistance. This is anticipated to result in a cost, beginning in FY 24, of \$120,000 plus \$124,092 in corresponding fringe benefits.

The bill results in a cost to the Insurance Fund of approximately \$400,000 in FY 24 and \$150,000 in FY 25 for the Office of Health Strategy (OHS) to hire one Durational Project Manager (DPM) and one Health

Care Analyst (HCA) to assist in developing a uniform application for hospital financial assistance in consultation with hospitals throughout the state. For reference, the starting salary of a DPM is \$123,600 with corresponding fringe benefits of approximately \$127,815. The starting salary for an HCA is \$71,147 with corresponding fringe benefits of approximately \$73,573. It is assumed that the DPM position will be for FY 24 only as the bill requires the application to be completed by January 2024.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and financial assistance.

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)