



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 Section 19a-673b of the general statutes is repealed and
2 the 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
10 system 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
15 the 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
19 action against an individual patient or such patient's estate to collect
20 fees arising from health care provided at a hospital or entity that is
21 owned by or affiliated with such hospital on or after October 1, 2003,
22 unless the hospital or entity that is owned by or affiliated with such
23 hospital has determined that such individual patient is an uninsured
24 patient, as defined in section 19a-673, who is ineligible for the hospital
25 bed fund or 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
35 patient 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
38 care provided by the hospital or entity that is owned by or affiliated
39 with 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
45 the 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
51 affiliated with such hospital where such coinsurance, deductibles or
52 fees may be eligible for reimbursement through awards, settlements or
53 judgments arising from claims, suits or proceedings. In addition,
54 nothing in said subsections shall affect the ability of a hospital or entity
55 that is owned by or affiliated with such hospital to initiate an action
56 against an 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,
60 (1) "hospital" has the same meaning as provided in section 19a-490 of
61 the 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
64 section 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
79 programs.

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

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

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

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

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

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

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

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

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

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

181 limited to, attorneys performing debt collection activities; and (4)
182 "hospital financial assistance" has the same meaning as provided in
183 section 2 of this act.

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

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

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

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

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

239 (e) [Applicants] Each hospital shall notify an applicant for assistance
240 from hospital bed funds [shall be notified] or for hospital financial
241 assistance, in writing, of any award or any rejection and the reason for
242 such rejection. Patients who cannot pay any outstanding medical bill at
243 the hospital shall be allowed to apply or reapply for hospital bed funds
244 and other programs providing financial assistance. Each hospital shall
245 offer an applicant, who is deemed ineligible for hospital financial
246 assistance, a payment plan amounting to not more than two per cent of

247 the applicant's annual household income per year. No hospital nor
248 collection agent for a hospital may charge a patient interest on medical
249 debt if the patient is eligible for any financial assistance.

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

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| 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.*