



General Assembly

January Session, 2023

Raised Bill No. 1203

LCO No. 5093



Referred to Committee on HUMAN SERVICES

Introduced by:
(HS)

AN ACT CONCERNING MEDICAL DEBT.

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

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section,
2 "hospital financial assistance", "financial assistance" and "hospital" have
3 the same meanings as provided in section 19a-509b of the general
4 statutes, as amended by this act. On and after October 1, 2023, each
5 hospital shall provide financial assistance to any patient who (1) is
6 enrolled in (A) the federal Supplemental Nutrition Assistance Program,
7 or (B) the federal Special Supplemental Food Program for Women,
8 Infants and Children, or (2) regardless of immigration status, has a
9 household income verified by the hospital that does not exceed two
10 hundred fifty per cent of the federal poverty level, without an asset
11 limit, using software that conforms to electronic income verification
12 industry standards. Such hospital shall not require the patient to apply
13 for the Connecticut medical assistance program, Medicare, other
14 government-funded coverage or insurance through Access Health
15 Connecticut, unless the hospital has a reasonable basis to believe that
16 the patient will qualify for such program.

17 (b) If such financial assistance is provided, it shall apply to all
18 medically necessary services and supplies.

19 (c) Prior to January 1, 2024, the Health Systems Planning Unit of the
20 Office of Health Strategy shall develop, in consultation with the
21 Connecticut Hospital Association, a uniform application for financial
22 assistance and make such form available on its Internet web site. Each
23 hospital shall accept such completed uniform application by patients
24 applying for such hospital's financial assistance program. Such
25 application may be periodically revised by the Health System Planning
26 Unit of the Office of Health Strategy. Not later than ninety days after the
27 unit publishes the form on the Internet web site of the Office of Health
28 Strategy, hospitals shall make the form available in the patient
29 admissions office, emergency room, social services department and
30 patient accounts or billing office. A link to the form shall be included in
31 all billing statements issued by a hospital. A paper copy of the form shall
32 be included in hospital discharge paperwork provided to each patient.
33 If during the admission process or during its review of the financial
34 resources of the patient, the hospital reasonably believes the patient will
35 have limited funds to pay for any portion of the patient's hospitalization
36 not covered by insurance, the hospital shall provide the form to each
37 such patient. Each hospital shall require its collection agents to include
38 a form in all bills and collection notices sent by such collection agents.

39 (d) The Attorney General may investigate the facts and circumstances
40 concerning any alleged violation of this section and, in connection with
41 such investigation, issue subpoenas and written interrogatories in the
42 same manner and to the same extent as is provided in section 35-42 of
43 the general statutes.

44 Sec. 2. Section 19a-509b of the general statutes is repealed and the
45 following is substituted in lieu thereof (*Effective October 1, 2023*):

46 (a) As used in this section, (1) "hospital bed fund" means any gift of
47 money, stock, bonds, financial instruments or other property made by
48 any donor for the purpose of establishing a fund to provide medical

49 care, including, but not limited to, inpatient or outpatient care, to
50 patients at a hospital. A hospital bed fund may be established by inter
51 vivos gift, bequest, subscription, solicitation, dedication or any other
52 means; (2) "hospital" means hospital as defined in section 19a-490; (3)
53 "hospital financial assistance" and "financial assistance" mean any
54 program administered by a hospital that reduces the patient's liability
55 for costs whether completely or in part; and (4) "collection agent" means
56 any person, either employed by or under contract to, a hospital, who is
57 engaged in the business of collecting payment from consumers for
58 medical services provided by the hospital, and includes, but is not
59 limited to, attorneys performing debt collection activities.

60 (b) (1) Each hospital [which holds or administers one or more hospital
61 bed funds] shall post or cause to be posted in a conspicuous public place
62 in each patient admitting location, including, but not limited to, the
63 admissions office, emergency room, social services department and
64 patient accounts or billing office, information in English and Spanish
65 regarding the availability of its hospital bed funds, in plain language in
66 a forty-eight to seventy-two point type size. Such information shall
67 include: (A) Notification of the existence of hospital bed funds and the
68 hospital's program to administer them, and (B) the person to contact for
69 application information.

70 (2) Each hospital [which has a hospital bed fund] shall train staff,
71 including, but not limited to, hospital social workers, discharge planners
72 and billing personnel concerning the existence of such fund, the
73 eligibility requirements and the procedures for application for such bed
74 funds and hospital financial assistance.

75 (c) Each hospital [that holds or administers one or more hospital bed
76 funds] shall make available in a place and manner allowing individual
77 members of the public to easily obtain it, a one-page summary in
78 English and Spanish describing hospital bed funds and how to apply for
79 them. Upon request, the summary shall be made available in each
80 language spoken by not less than five per cent of the population that
81 resides in the hospital's service area as described in section 19a-490i. The

82 summary shall also describe any other policies regarding the provision
83 of [charity care and reduced cost services] hospital financial assistance
84 for the indigent as reported by the hospital to the Health Systems
85 Planning Unit of the Office of Health Strategy pursuant to section 19a-
86 649, as amended by this act, and shall clearly distinguish hospital bed
87 funds from other sources of financial assistance. The summary shall
88 include notification that the patient is entitled to reapply upon rejection,
89 and that additional funds may become available on an annual basis. The
90 summary shall include an Internet web site link to the uniform
91 application described in section 1 of this act. The summary shall be
92 available in the patient admissions office, emergency room, social
93 services department and patient accounts or billing office, and from any
94 collection agent. An Internet web site link to the summary shall be
95 included in all billing statements issued by a hospital. A paper copy of
96 this summary shall be included in hospital discharge paperwork
97 provided to each patient. If during the admission process or during its
98 review of the financial resources of the patient, the hospital reasonably
99 believes the patient will have limited funds to pay for any portion of the
100 patient's hospitalization not covered by insurance, the hospital shall
101 provide the summary to each such patient.

102 (d) The summary described in subsection (c) of this section shall (1)
103 comply with the plain language standards for consumer contracts under
104 section 42-152; and (2) not contain a requirement that a patient shall
105 apply for medical assistance before the patient will be screened for or
106 provided financial assistance.

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

111 [(e)] (f) Applicants for assistance from [hospital bed funds] hospitals
112 shall be notified in writing of any award or any rejection and the reason
113 for such rejection. Patients who cannot pay any outstanding medical bill
114 at the hospital shall be allowed to apply or reapply for hospital bed

115 funds and other programs providing hospital financial assistance.
116 Applicants deemed ineligible for hospital financial assistance shall be
117 offered a payment plan amounting to not more than two per cent of the
118 applicant's household income per year. No hospital or debt collector
119 may charge interest on medical debt if the patient is eligible for financial
120 assistance.

121 [(f)] (g) Each hospital [which holds or administers one or more
122 hospital bed funds] shall maintain and annually compile, at the end of
123 the fiscal year of the hospital, the following information: (1) The number
124 of applications for hospital bed funds; (2) the number of patients
125 receiving hospital bed fund grants and the actual dollar amounts
126 provided to each patient from such fund; (3) the fair market value of the
127 principal of each individual hospital bed fund, or the principal
128 attributable to each bed fund if held in a pooled investment; (4) the total
129 earnings for each hospital bed fund or the earnings attributable to each
130 hospital bed fund; (5) the dollar amount of earnings reinvested as
131 principal if any; and (6) the dollar amount of earnings available for
132 patient care. The information compiled pursuant to this subsection shall
133 be permanently retained by the hospital and made available to the
134 Health Systems Planning Unit upon request.

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

137 (a) As used in this section, "hospital financial assistance" and
138 "financial assistance" have the same meaning as provided in section 19a-
139 509b, as amended by this act. The unit shall review annually the level of
140 uncompensated care provided by each hospital to the indigent. Each
141 hospital shall file annually with the unit its policies regarding the
142 provision of [charity care and reduced cost services to the indigent]
143 financial assistance, excluding medical assistance recipients, and its debt
144 collection practices. A hospital shall file its audited financial statements
145 not later than February twenty-eighth of each year, except a health
146 system, as defined in section 19a-508c, may file one such statement that
147 includes the audited financial statements for each hospital within the

148 health system. Not later than March thirty-first of each year, the hospital
149 shall file a verification of the hospital's net revenue for the most recently
150 completed fiscal year in a format prescribed by the unit.

151 (b) Each hospital shall annually report, along with data submitted
152 pursuant to subsection (a) of this section, (1) the number of applicants
153 for [charity care and reduced cost services, (2)] hospital financial
154 assistance, (2) the number of patients screened for hospital financial
155 assistance pursuant to section 19a-673b, as amended by this act, (3) the
156 number of approved applicants, [and (3)] (4) the total and average
157 charges and costs of the amount of [charity care and reduced cost
158 services provided] hospital financial assistance provided both as
159 charged and adjusted to be not more than one hundred twenty-five per
160 cent of the Medicare rate, (5) the number of patients a hospital directly
161 assisted in applying for financial assistance, (6) the number of patients
162 a hospital provided with language translation assistance to apply for
163 financial assistance, (7) the race, ethnicity and insurance status, if
164 provided by the patient, of all applicants for financial assistance,
165 including, but not limited to, those screened by the hospital pursuant to
166 section 19a-673b, as amended by this act, (8) the race, ethnicity and
167 insurance status, if provided by the patient, of all patients approved for
168 financial assistance, (9) the race, ethnicity and insurance status, if
169 provided by the patient, of all patients whose debt was referred to
170 collection agents, and (10) the race, ethnicity and insurance status, if
171 provided by the patient, of all patients sued by the hospital or its
172 collection agent for the purposes of collecting a debt.

173 (c) Each hospital recognized as a nonprofit organization under
174 Section 501(c)(3) of the Internal Revenue Code of 1986, or any
175 subsequent corresponding internal revenue code of the United States,
176 as amended from time to time, shall, along with data submitted
177 annually pursuant to subsection (a) of this section, submit to the unit (1)
178 a complete copy of such hospital's most-recently completed Internal
179 Revenue Service form 990, including all parts and schedules; and (2) in
180 the form and manner prescribed by the unit, data compiled to prepare
181 such hospital's community health needs assessment, as required

182 pursuant to Section 501(r) of the Internal Revenue Code of 1986, or any
183 subsequent corresponding internal revenue code of the United States,
184 as amended from time to time, provided such copy and data submitted
185 pursuant to this subsection shall not include: (A) Individual patient
186 information, including, but not limited to, patient-identifiable
187 information; (B) information that is not owned or controlled by such
188 hospital; (C) information that such hospital is contractually required to
189 keep confidential or that is prohibited from disclosure by a data use
190 agreement; or (D) information concerning research on human subjects
191 as described in section 45 CFR 46.101 et seq., as amended from time to
192 time.

193 Sec. 4. Section 19a-673 of the general statutes is repealed and the
194 following is substituted in lieu thereof (*Effective October 1, 2023*):

195 (a) As used in this section:

196 (1) "Affiliated with" means (A) employed by a hospital or health
197 system, (B) under a professional services agreement with a hospital or
198 health system that permits such hospital or health system to bill on
199 behalf of such entity, or (C) a clinical faculty member of a medical
200 school, as defined in section 33-182aa, who is affiliated with a hospital
201 or health system in a manner that permits such hospital or health system
202 to bill on behalf of such clinical faculty member.

203 (2) "Collection agent" has the same meaning as provided in section
204 19a-509b, as amended by this act.

205 (3) "Cost of providing services" means a hospital's published charges
206 at the time of billing, multiplied by the hospital's most recent
207 relationship of costs to charges as taken from the hospital's most recently
208 available annual financial filing with the unit.

209 (4) "Hospital" has the same meaning as provided in section 19a-490.

210 (5) "Owned by" means owned by a hospital or health system when
211 billed under the hospital's tax identification number.

212 (6) "Poverty income guidelines" means the poverty income guidelines
213 issued from time to time by the United States Department of Health and
214 Human Services.

215 (7) "Uninsured patient" means any person who is liable for one or
216 more hospital charges whose income is at or below two hundred fifty
217 per cent of the poverty income guidelines who (A) has applied and been
218 denied eligibility for any medical or health care coverage provided
219 under the Medicaid program due to failure to satisfy income or other
220 eligibility requirements, and (B) is not eligible for coverage for hospital
221 services under the Medicare or CHAMPUS programs, or under any
222 Medicaid or health insurance program of any other nation, state,
223 territory or commonwealth, or under any other governmental or
224 privately sponsored health or accident insurance or benefit program
225 including, but not limited to, workers' compensation and awards,
226 settlements or judgments arising from claims, suits or proceedings
227 involving motor vehicle accidents or alleged negligence.

228 (8) "Underinsured patient" means any person who is liable for one or
229 more hospital charges that exceed two per cent of the person's annual
230 household income after the contribution of any insurance program in
231 which the person is enrolled.

232 (b) No hospital or entity that is owned by or affiliated with such
233 hospital that has provided health care to an uninsured or underinsured
234 patient may collect from the uninsured or underinsured patient more
235 than the cost of providing such health care.

236 (c) Each collection agent engaged in collecting a debt from a patient
237 arising from health care provided at a hospital shall provide written
238 notice to such patient as to whether the hospital deems the patient an
239 insured patient, underinsured patient or uninsured patient and the
240 reasons for such determination.

241 Sec. 5. Section 19a-673b of the general statutes is repealed and the
242 following is substituted in lieu thereof (*Effective October 1, 2023*):

243 (a) As used in this section:

244 (1) "Affiliated with" means (A) employed by a hospital or health
245 system, (B) under a professional services agreement with a hospital or
246 health system that permits such hospital or health system to bill on
247 behalf of such entity, or (C) a clinical faculty member of a medical
248 school, as defined in section 33-182aa, who is affiliated with a hospital
249 or health system in a manner that permits such hospital or health system
250 to bill on behalf of such clinical faculty member.

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

253 (3) "Hospital financial assistance" and "financial assistance" have the
254 same meaning as provided in section 19a-509b, as amended by this act.

255 (b) No hospital, as defined in section 19a-490, or entity that is owned
256 by or affiliated with such hospital shall refer to a collection agent, as
257 defined in section 19a-509b, as amended by this act, or initiate an action
258 against an individual patient or such patient's estate to collect fees
259 arising from health care provided at a hospital or entity that is owned
260 by or affiliated with such hospital on or after October 1, 2003, unless the
261 hospital or entity that is owned by or affiliated with such hospital has
262 determined that such individual patient is an uninsured patient or an
263 underinsured patient, as defined in section 19a-673, as amended by this
264 act, who is ineligible for the hospital bed fund and hospital financial
265 assistance as defined in subsection (a) of this section.

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

271 (1) Report an individual patient to a credit rating agency, as defined
272 in section 36a-695, for a period of one year beginning on the date that
273 such patient first receives a bill for health care provided by the hospital

274 or entity that is owned by or affiliated with such hospital to such patient
275 on or after October 1, 2022;

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

280 (3) Apply to a court for an execution against an individual patient's
281 wages pursuant to section 52-361a, or otherwise seek to garnish such
282 patient's wages, to collect payment for health care provided by the
283 hospital or entity that is owned by or affiliated with such hospital to
284 such patient [on or after October 1, 2022,] if such patient is eligible for
285 the hospital bed fund or other hospital financial assistance.

286 (d) Nothing in subsection (b) or (c) of this section shall affect the
287 ability of a hospital or entity that is owned by or affiliated with such
288 hospital to initiate an action against an individual patient or such
289 patient's estate to collect coinsurance, deductibles or fees arising from
290 health care provided at a hospital or entity that is owned by or affiliated
291 with such hospital where such coinsurance, deductibles or fees may be
292 eligible for reimbursement through awards, settlements or judgments
293 arising from claims, suits or proceedings. In addition, nothing in said
294 subsections shall affect the ability of a hospital or entity that is owned
295 by or affiliated with such hospital to initiate an action against an
296 individual patient or such patient's estate where payment or
297 reimbursement has been made, or likely is to be made, directly to the
298 patient.

299 Sec. 6. (NEW) (*Effective October 1, 2023*) (a) As used in this section, (1)
300 "federal 340B drug pricing program" means the plan described in
301 Section 340B of the Public Health Service Act, 42 USC 256b, as amended
302 from time to time, (2) "340B covered entity" means a provider
303 participating in the federal 340B drug pricing program, (3) "prescription
304 drug" has the same meaning as provided in section 19a-754b of the
305 general statutes, and (4) "rebate" has the same meaning as provided in

306 section 38a-479~~000~~ of the general statutes.

307 (b) No 340B covered entity shall attempt to collect as medical debt
 308 any payment for a prescription drug obtained with a rebate or at a
 309 discounted price through the federal 340B drug pricing program by
 310 such entity but charged to a patient of such entity at a higher price.

311 Sec. 7. (NEW) (*Effective July 1, 2023*) As used in this section, "hospital
 312 price transparency rule" has the same meaning as provided in 45 CFR
 313 180 and requires hospitals to publicly post the costs of their items and
 314 services online. Any hospital that violates the provisions of 45 CFR 180
 315 shall not seek to recover as medical debt from any patient the cost of an
 316 item or service that the hospital has failed to publicly disclose in
 317 accordance with the requirements of such rule.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2023</i>	19a-509b
Sec. 3	<i>October 1, 2023</i>	19a-649
Sec. 4	<i>October 1, 2023</i>	19a-673
Sec. 5	<i>October 1, 2023</i>	19a-673b
Sec. 6	<i>October 1, 2023</i>	New section
Sec. 7	<i>July 1, 2023</i>	New section

Statement of Purpose:

To ameliorate the burden of medical debt.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]