



House of Representatives

General Assembly

File No. 149

February Session, 2024

Substitute House Bill No. 5320

House of Representatives, March 27, 2024

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 ASSISTANCE.

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, (1)
2 "hospital" has the same meaning as provided in section 19a-490 of the
3 general statutes; and (2) "hospital financial assistance" means any
4 program administered by a hospital that reduces, in whole or in part, a
5 patient's liability for the cost of providing services, as defined in section
6 19a-673 of the general statutes.

7 (b) On and after October 1, 2024, each hospital shall provide hospital
8 financial assistance to any patient, regardless of such patient's
9 immigration status, who is enrolled in (1) the federal Supplemental
10 Nutrition Assistance Program, or (2) the federal Special Supplemental
11 Food Program for Women, Infants and Children, provided such
12 hospital has verified that the patient's household income does not
13 exceed two hundred fifty per cent of the federal poverty level, without
14 an asset limit, using software that conforms to industry standards

15 concerning electronic income verification. Such hospital shall not
16 require the patient to apply for the Connecticut medical assistance
17 program, Medicare, other government-funded coverage or insurance
18 through the Connecticut Health Insurance Exchange prior to providing
19 hospital financial assistance, unless the hospital has a reasonable basis
20 to believe that the patient will qualify for one or more of such programs.

21 (c) If a hospital provides hospital financial assistance to a patient
22 pursuant to subsection (b) of this section, such financial assistance shall
23 cover all of the services and supplies that are medically necessary for
24 the patient.

25 (d) Not later than January 1, 2025, the Health Systems Planning Unit
26 of the Office of Health Strategy shall develop, in consultation with an
27 association of hospitals in the state, a uniform application for hospital
28 financial assistance and make such application available on the unit's
29 Internet web site. Each hospital shall accept such application when filed
30 by a patient seeking hospital financial assistance pursuant to subsection
31 (b) of this section. The Health Systems Planning Unit of the Office of
32 Health Strategy may periodically revise such application, as deemed
33 necessary by the executive director of said unit. Not later than ninety
34 days after the unit posts such application on its Internet web site, each
35 hospital shall make such form available in the hospital's patient
36 admissions office, emergency department, social services department
37 and patient accounts or billing office. Each hospital shall include (1) the
38 link to the Internet web site where such form is posted on all billing
39 statements issued by the hospital, and (2) a paper copy of such form in
40 hospital discharge paperwork provided to each patient. If a hospital
41 reasonably believes, during the admissions process or its review of the
42 financial resources of a patient, that the patient may have insufficient
43 funds to pay for any portion of the patient's hospitalization that is not
44 covered by the patient's insurance, the hospital shall provide such form
45 to the patient. Each hospital shall require each of its collection agents to
46 include such form in each bill and collection notice the collection agent
47 sends to a patient.

48 Sec. 2. Section 19a-649 of the general statutes is repealed and the
49 following is substituted in lieu thereof (*Effective October 1, 2024*):

50 (a) The unit shall annually review [annually] the level of
51 uncompensated care provided by each hospital to the indigent. Each
52 hospital shall file annually with the unit its policies regarding the
53 provision of charity care, [and reduced cost services to the indigent,
54 excluding medical assistance recipients, and hospital financial
55 assistance, as defined in section 1 of this act, and its debt collection
56 practices. A hospital shall file its audited financial statements not later
57 than February twenty-eighth, [of each year] annually, except a health
58 system, as defined in section 19a-508c, may file one such statement that
59 includes the audited financial statements for each hospital within the
60 health system. Not later than March thirty-first, [of each year] annually,
61 the hospital shall file a verification of the hospital's net revenue for the
62 most recently completed fiscal year in a format prescribed by the unit.

63 (b) Each hospital shall annually report, along with data submitted
64 pursuant to subsection (a) of this section, (1) the number of applicants
65 for charity care and [reduced cost services, (2)] hospital financial
66 assistance, (2) the number of patients requesting or reasonably believed
67 to have a need for hospital financial assistance pursuant to section 1 of
68 this act, (3) the number of approved applicants [, and (3)] for charity care
69 and hospital financial assistance, and (4) the total and average charges
70 and costs of the amount of charity care and [reduced cost services
71 provided] hospital financial assistance provided.

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

81 pursuant to Section 501(r) of the Internal Revenue Code of 1986, or any
82 subsequent corresponding internal revenue code of the United States,
83 as amended from time to time, provided such copy and data submitted
84 pursuant to this subsection shall not include: (A) Individual patient
85 information, including, but not limited to, patient-identifiable
86 information; (B) information that is not owned or controlled by such
87 hospital; (C) information that such hospital is contractually required to
88 keep confidential or that is prohibited from disclosure by a data use
89 agreement; or (D) information concerning research on human subjects
90 as described in section 45 CFR 46.101 et seq., as amended from time to
91 time.

92 Sec. 3. Section 19a-509b of the general statutes is repealed and the
93 following is substituted in lieu thereof (*Effective October 1, 2024*):

94 (a) As used in this section, (1) "hospital bed fund" means any gift of
95 money, stock, bonds, financial instruments or other property made by
96 any donor for the purpose of establishing a fund to provide medical
97 care, including, but not limited to, inpatient or outpatient care, to
98 patients at a hospital. A hospital bed fund may be established by inter
99 vivos gift, bequest, subscription, solicitation, dedication or any other
100 means; (2) "hospital" [means hospital as defined] has the same meaning
101 as provided in section 19a-490; (3) "collection agent" means any person,
102 either employed by or under contract to, a hospital, who is engaged in
103 the business of collecting payment from consumers for medical services
104 provided by the hospital, and includes, but is not limited to, attorneys
105 performing debt collection activities; and (4) "hospital financial
106 assistance" has the same meaning as provided in section 1 of this act.

107 (b) (1) Each hospital which holds or administers one or more hospital
108 bed funds shall post or cause to be posted in a conspicuous public place
109 in each patient admitting location, including, but not limited to, the
110 admissions office, emergency room, social services department and
111 patient accounts or billing office, information in English and Spanish
112 regarding the availability of its hospital bed funds, in plain language in
113 a forty-eight to seventy-two point type size. Such information shall

114 include: (A) Notification of the existence of hospital bed funds and the
115 hospital's program to administer them and (B) the person to contact for
116 application information.

117 (2) Each hospital [which has a hospital bed fund] shall train staff,
118 including but not limited to, hospital social workers, discharge planners
119 and billing personnel concerning the existence of [such fund] any
120 hospital bed fund and hospital financial assistance, the eligibility
121 requirements for any such fund and such financial assistance and the
122 procedures for [application] a patient to apply for any such fund or
123 financial assistance.

124 (c) Each hospital [that holds or administers one or more hospital bed
125 funds] shall make available in a place and manner allowing individual
126 members of the public to easily obtain it, a one-page summary in
127 English and Spanish describing any hospital bed funds and hospital
128 financial assistance and how to apply for [them] such funds, if such
129 funds exist, and such financial assistance. A hospital shall make the
130 summary available in each additional language spoken by at least five
131 per cent of the population that resides in the geographic area served by
132 the hospital. The summary shall also describe any other policies
133 regarding the provision of charity care and [reduced cost services for
134 the indigent] other financial assistance as reported by the hospital to the
135 Health Systems Planning Unit of the Office of Health Strategy pursuant
136 to section 19a-649, as amended by this act, and shall clearly distinguish
137 hospital bed funds and hospital financial assistance from other sources
138 of financial assistance. The summary shall include (1) notification that
139 the patient is entitled to reapply upon rejection, and that additional
140 funds may become available on an annual basis, and (2) a link to or copy
141 of the application for hospital financial assistance described in section 1
142 of this act. The summary shall be available in the patient admissions
143 office, emergency room, social services department and patient accounts
144 or billing office, and from any collection agent. If during the admission
145 process or during its review of the financial resources of the patient, the
146 hospital reasonably believes the patient will have limited funds to pay
147 for any portion of the patient's hospitalization not covered by insurance,

148 the hospital shall provide the summary to each such patient.

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

153 (e) [Applicants] Each hospital shall notify an applicant for assistance
154 from hospital bed funds [shall be notified] or for hospital financial
155 assistance, in writing, of any award or any rejection and the reason for
156 such rejection. Patients who cannot pay any outstanding medical bill at
157 the hospital shall be allowed to apply or reapply for hospital bed funds
158 and other programs providing financial assistance.

159 (f) Each hospital [which] that holds or administers one or more
160 hospital bed funds shall maintain and annually compile, at the end of
161 the fiscal year of the hospital, the following information: (1) The number
162 of applications for hospital bed funds; (2) the number of patients
163 receiving hospital bed fund grants and the actual dollar amounts
164 provided to each patient from such fund; (3) the fair market value of the
165 principal of each individual hospital bed fund, or the principal
166 attributable to each bed fund if held in a pooled investment; (4) the total
167 earnings for each hospital bed fund or the earnings attributable to each
168 hospital bed fund; (5) the dollar amount of earnings reinvested as
169 principal if any; and (6) the dollar amount of earnings available for
170 patient care. The information compiled pursuant to this subsection shall
171 be permanently retained by the hospital and made available to the
172 Health Systems Planning Unit upon request.

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, 2024</i>	19a-649
Sec. 3	<i>October 1, 2024</i>	19a-509b

Statement of Legislative Commissioners:

In Section 2(a), "and hospital financial assistance, as defined in section 1 of this act" was moved from after "indigent]" to after "medical assistance recipients," for accuracy and, in Sections 2(b) and 3(a), "section 2 of this act", was changed to "section 1 of this act" for accuracy.

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 25 \$	FY 26 \$
UConn Health Ctr.	Clinical Revenue Loss	630,000	840,000
UConn Health Ctr ¹ .	GF - Cost	170,594	170,594
Office of Health Strategy	Insurance Fund- Cost	50,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill: (1) requires hospitals to provide financial assistance to patients, which results in an annual revenue loss and cost to UConn Health Center; and (2) requires the Office of Health Strategy (OHS) to create a uniform application for hospital financial assistance, resulting in a one-time cost.

The bill results in a significant revenue loss to UConn Health by requiring hospitals, starting October 1, 2024, to give certain 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

¹Pursuant to PA 23-204, higher education constituent units are responsible for the costs of group life insurance, active health insurance, Social Security, and Medicare for all active employees, totaling an estimated non-pension fringe benefit rate of 36.04% of payroll in FY 25. A minimal cost is also incurred by the Office of the State Comptroller's Fringe Benefit account associated with employee participation in a state-offered retirement plan.

22% of UConn Health patients with out-of-pocket balances after insurance would qualify for financial assistance, resulting in approximately \$840,000 in underinsured balances adjusted off annually as financial assistance provided the assistance fully eliminates the patient's liability (\$630,000 in FY 25 as implementation begins October 1).

UConn Health would also require two additional Financial Counselors (annual salary of \$62,700) to process financial assistance. This is anticipated to result in an annual cost, beginning in FY 25, of \$170,594 (\$125,400 salary plus \$45,194 in corresponding fringe benefits).

The bill results in a one-time cost to the Insurance Fund of up \$50,000 in FY 25 for OHS to hire a consultant to assist in developing a uniform application, by January 1, 2025, for hospital financial assistance in consultation with hospitals throughout the state.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of UConn Health patients who are eligible for financial assistance and the out-of-pocket balances for the eligible population.

OLR Bill Analysis**sHB 5320*****AN ACT CONCERNING HOSPITAL FINANCIAL ASSISTANCE.*****SUMMARY**

Starting October 1, 2024, 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, including requiring the Office of Health Strategy (OHS) to create a uniform application for hospital financial assistance by January 1, 2025.

Among other things, the bill also does the following:

1. requires hospitals to include their financial assistance policies and the number of patients requesting or reasonably believed to need financial assistance as part of the information they must annually report to OHS (§ 2);
2. requires hospitals to make available a one-page plain language summary describing their financial assistance policies in each language spoken by at least 5% of the population in the hospital's service area (§ 3); and
3. requires hospitals to train staff on their financial assistance programs, including eligibility requirements and application procedures (§ 3).

The bill also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage, except the provisions on the bed fund patient summaries and annual hospital reporting requirements take effect October 1, 2024.

§§ 1 & 2 — HOSPITAL FINANCIAL ASSISTANCE

Eligibility

Starting October 1, 2024, the bill requires hospitals to provide patients financial assistance that (1) partially or fully 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, 250% of the FPL is \$51,100 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 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 the patient will qualify for one or more of these programs.

Application

By January 1, 2025, 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 annually file with HSPU their policies on charity care and financial assistance to the indigent and their debt collection practices. The bill adds to the information that must be included in the filing the number of patients who request or are reasonably believed to need financial assistance.

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.

§ 3 — 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 to also do the following:

1. make the summary available in each language spoken by at least 5% of the population that lives in the hospital's service area and
2. include in the summary an internet link to or paper copy of the

financial assistance application.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 24 Nay 13 (03/11/2024)