
OLR Bill Analysis

sSB 1192

AN ACT CONCERNING HOSPITAL FINANCIAL ASSISTANCE.

SUMMARY

This bill requires the Office of the Healthcare Advocate (OHA), within available appropriations, to contract with a vendor to develop an online hospital financial assistance portal for patients and family members.

Under the bill, the portal must serve as a navigation tool to help patients and family members identify and apply for hospital financial assistance at Connecticut hospitals that would partially or fully reduce patients' liability for the cost of care. At a minimum, the portal may include:

1. technical assistance and tools that streamline the application process for assistance,
2. a screening tool to help determine whether patients may be eligible for assistance, and
3. information to help patients and family members avoid future medical debt.

The bill also authorizes OHA to (1) consult with the Office of Policy and Management and publish information about the state's medical debt erasure initiative on the OHA website (see BACKGROUND) and (2) develop, in consultation with relevant organizations, recommendations on the initiative that may help patients and family members avoid future medical debt, including ways to streamline the hospital financial assistance application process.

Starting July 1, 2026, hospitals that offer financial assistance programs must give OHA contact information for their programs (i.e., website

links, email addresses, and phone numbers). If a hospital revises the program's application form or contact information or establishes a new program, it must notify OHA and give the office any new program contact information within 30 days after doing so.

EFFECTIVE DATE: July 1, 2025

BACKGROUND

Medical Debt Erasure Initiative

PA 23-204, as amended by PA 24-81, allocated \$6.5 million in federal American Rescue Plan Act (ARPA) funds for the state to enter a partnership with Undue Medical Debt, a national nonprofit organization. Undue Medical Debt uses these funds to negotiate with hospitals and other health care providers to eliminate large, bundled portfolios of certain medical debt.

To qualify for medical debt erasure, patients must have (1) income at or below 400% of the federal poverty level (e.g., \$84,600 for a family of two in 2025) or (2) medical debt that is at least 5% of their income. Patients do not apply for the debt relief. Instead, they are notified by Undue Medical Debt if their debt has been identified for erasure.

During the initiative's first round in December 2024, the state invested approximately \$100,000 in ARPA funds to acquire approximately \$30 million in qualifying medical debt.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 32 Nay 0 (02/10/2025)