



General Assembly

January Session, 2023

Raised Bill No. 6740

LCO No. 4438



Referred to Committee on PUBLIC HEALTH

Introduced by:
(PH)

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 Section 19a-673 of the general statutes is repealed and the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) "Collection agent" has the same meaning as provided in section
12 19a-509b, as amended by this act.

13 (3) "Cost of providing services" means a hospital's published charges
14 at the time of billing, multiplied by the hospital's most recent

15 relationship of costs to charges as taken from the hospital's most recently
16 available annual financial filing with the unit.

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

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

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

23 (7) "Uninsured patient" means any person who is liable for one or
24 more hospital charges whose income is at or below two hundred fifty
25 per cent of the poverty income guidelines who (A) has applied and been
26 denied eligibility for any medical or health care coverage provided
27 under the Medicaid program due to failure to satisfy income or other
28 eligibility requirements, and (B) is not eligible for coverage for hospital
29 services under the Medicare or CHAMPUS programs, or under any
30 Medicaid or health insurance program of any other nation, state,
31 territory or commonwealth, or under any other governmental or
32 privately sponsored health or accident insurance or benefit program
33 including, but not limited to, workers' compensation and awards,
34 settlements or judgments arising from claims, suits or proceedings
35 involving motor vehicle accidents or alleged negligence.

36 (8) "Underinsured patient" means any person who is liable for one or
37 more hospital charges that exceed two per cent of the person's annual
38 household income after coverage for hospital services was provided by
39 a health carrier, as defined in section 38a-591a.

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

44 (c) Each collection agent engaged in collecting a debt from a patient

45 arising from health care provided at a hospital shall provide written
46 notice to such patient as to whether the hospital deems the patient an
47 insured patient, [or] uninsured patient or underinsured patient and the
48 reasons for such determination.

49 Sec. 2. Section 19a-673b of the general statutes is repealed and the
50 following is substituted in lieu thereof (*Effective October 1, 2023*):

51 (a) As used in this section:

52 (1) "Affiliated with" means (A) employed by a hospital or health
53 system, (B) under a professional services agreement with a hospital or
54 health system that permits such hospital or health system to bill on
55 behalf of such entity, or (C) a clinical faculty member of a medical
56 school, as defined in section 33-182aa, who is affiliated with a hospital
57 or health system in a manner that permits such hospital or health system
58 to bill on behalf of such clinical faculty member.

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

61 (3) "Hospital financial assistance" means any program administered
62 by a hospital that reduces, in whole or in part, a patient's liability for the
63 cost of providing services, as defined in section 19a-673, as amended by
64 this act.

65 (b) No hospital, as defined in section 19a-490, or entity that is owned
66 by or affiliated with such hospital shall refer to a collection agent, as
67 defined in section 19a-509b, as amended by this act, or initiate an action
68 against an individual patient or such patient's estate to collect fees
69 arising from health care provided at a hospital or entity that is owned
70 by or affiliated with such hospital on or after October 1, 2003, unless the
71 hospital or entity that is owned by or affiliated with such hospital has
72 determined that such individual patient is an uninsured patient or an
73 underinsured patient, as such terms are defined in section 19a-673, as
74 amended by this act, who is ineligible for the hospital bed fund or
75 hospital financial assistance.

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

81 (1) Report an individual patient to a credit rating agency, as defined
82 in section 36a-695, for a period of one year beginning on the date that
83 such patient first receives a bill for health care provided by the hospital
84 or entity that is owned by or affiliated with such hospital to such patient
85 on or after October 1, 2022;

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

90 (3) Apply to a court for an execution against an individual patient's
91 wages pursuant to section 52-361a, or otherwise seek to garnish such
92 patient's wages, to collect payment for health care provided by the
93 hospital or entity that is owned by or affiliated with such hospital to
94 such patient on or after October 1, 2022, if such patient is eligible for the
95 hospital bed fund.

96 (d) Nothing in subsection (b) or (c) of this section shall affect the
97 ability of a hospital or entity that is owned by or affiliated with such
98 hospital to initiate an action against an individual patient or such
99 patient's estate to collect coinsurance, deductibles or fees arising from
100 health care provided at a hospital or entity that is owned by or affiliated
101 with such hospital where such coinsurance, deductibles or fees may be
102 eligible for reimbursement through awards, settlements or judgments
103 arising from claims, suits or proceedings. In addition, nothing in said
104 subsections shall affect the ability of a hospital or entity that is owned
105 by or affiliated with such hospital to initiate an action against an
106 individual patient or such patient's estate where payment or
107 reimbursement has been made, or likely is to be made, directly to the

108 patient.

109 Sec. 3. (NEW) (*Effective October 1, 2023*) (a) As used in this section, (1)
110 "hospital" has the same meaning as provided in section 19a-490 of the
111 general statutes; and (2) "hospital financial assistance" means any
112 program administered by a hospital that reduces, in whole or in part, a
113 patient's liability for the cost of providing services, as defined in section
114 19a-673 of the general statutes, as amended by this act.

115 (b) On and after October 1, 2023, each hospital shall provide hospital
116 financial assistance to any patient, regardless of such patient's
117 immigration status, who is enrolled in (1) the federal Supplemental
118 Nutrition Assistance Program, or (2) the federal Special Supplemental
119 Food Program for Women, Infants and Children, provided such
120 hospital has verified that the patient's household income does not
121 exceed two hundred fifty per cent of the federal poverty level, without
122 an asset limit, using software that conforms to industry standards
123 concerning electronic income verification. Such hospital shall not
124 require the patient to apply for the Connecticut medical assistance
125 program, Medicare, other government-funded coverage or insurance
126 through the Connecticut Health Insurance Exchange prior to providing
127 hospital financial assistance, unless the hospital has a reasonable basis
128 to believe that the patient will qualify for one or more of such programs.

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

133 (d) Not later than January 1, 2024, the Health Systems Planning Unit
134 of the Office of Health Strategy shall develop, in consultation with an
135 association of hospitals in the state, a uniform application for hospital
136 financial assistance and make such application available on the unit's
137 Internet web site. Each hospital shall accept such application when filed
138 by a patient seeking hospital financial assistance pursuant to subsection
139 (b) of this section. The Health Systems Planning Unit of the Office of

140 Health Strategy may periodically revise such application, as deemed
141 necessary by the executive director of said unit. Not later than ninety
142 days after the unit posts such application on its Internet web site, each
143 hospital shall make such form available in the hospital's patient
144 admissions office, emergency department, social services department
145 and patient accounts or billing office. Each hospital shall include (1) the
146 link to the Internet web site where such form is posted on all billing
147 statements issued by the hospital, and (2) a paper copy of such form in
148 hospital discharge paperwork provided to each patient. If a hospital
149 reasonably believes, during the admissions process or its review of the
150 financial resources of a patient, that the patient may have insufficient
151 funds to pay for any portion of the patient's hospitalization that is not
152 covered by the patient's insurance, the hospital shall provide such form
153 to the patient. Each hospital shall require each of its collection agents to
154 include such form in each bill and collection notice the collection agent
155 sends to a patient.

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

161 Sec. 4. Section 19a-649 of the general statutes is repealed and the
162 following is substituted in lieu thereof (*Effective October 1, 2023*):

163 (a) The unit shall review annually the level of uncompensated care
164 provided by each hospital to the indigent. Each hospital shall file
165 annually with the unit its policies regarding the provision of charity care
166 and [reduced cost services to the indigent] hospital financial assistance,
167 as defined in section 3 of this act, excluding medical assistance
168 recipients, and its debt collection practices. A hospital shall file its
169 audited financial statements not later than February twenty-eighth, [of
170 each year] annually, except a health system, as defined in section 19a-
171 508c, may file one such statement that includes the audited financial
172 statements for each hospital within the health system. Not later than

173 March thirty-first, [of each year] annually, the hospital shall file a
174 verification of the hospital's net revenue for the most recently completed
175 fiscal year in a format prescribed by the unit.

176 (b) Each hospital shall annually report, along with data submitted
177 pursuant to subsection (a) of this section, (1) the number of applicants
178 for charity care and [reduced cost services, (2)] hospital financial
179 assistance, (2) the number of patients requesting or reasonably believed
180 to have a need for hospital financial assistance pursuant to section 3 of
181 this act, (3) the number of approved applicants [, and (3)] for charity care
182 and hospital financial assistance, (4) the total and average charges and
183 costs of the amount of charity care and [reduced cost services provided]
184 hospital financial assistance provided, (5) the number of patients a
185 hospital directly assisted in applying for hospital financial assistance, (6)
186 the number of patients a hospital provided with language translation
187 assistance in applying for hospital financial assistance, (7) the race,
188 ethnicity and insurance status of all applicants for hospital financial
189 assistance, including such applicants whom the hospital reasonably
190 believed to have a need for such assistance pursuant to section 3 of this
191 act, (8) the race, ethnicity and insurance status of all patients approved
192 for hospital financial assistance, (9) the race, ethnicity and insurance
193 status of all patients whose hospital debt was referred to a collection
194 agent, and (10) the race, ethnicity and insurance status of all patients
195 sued by the hospital or its collection agent for the purpose of collecting
196 a debt.

197 (c) Each hospital recognized as a nonprofit organization under
198 Section 501(c)(3) of the Internal Revenue Code of 1986, or any
199 subsequent corresponding internal revenue code of the United States,
200 as amended from time to time, shall, along with data submitted
201 annually pursuant to subsection (a) of this section, submit to the unit (1)
202 a complete copy of such hospital's most-recently completed Internal
203 Revenue Service form 990, including all parts and schedules; and (2) in
204 the form and manner prescribed by the unit, data compiled to prepare
205 such hospital's community health needs assessment, as required
206 pursuant to Section 501(r) of the Internal Revenue Code of 1986, or any

207 subsequent corresponding internal revenue code of the United States,
208 as amended from time to time, provided such copy and data submitted
209 pursuant to this subsection shall not include: (A) Individual patient
210 information, including, but not limited to, patient-identifiable
211 information; (B) information that is not owned or controlled by such
212 hospital; (C) information that such hospital is contractually required to
213 keep confidential or that is prohibited from disclosure by a data use
214 agreement; or (D) information concerning research on human subjects
215 as described in section 45 CFR 46.101 et seq., as amended from time to
216 time.

217 Sec. 5. Section 19a-509b of the general statutes is repealed and the
218 following is substituted in lieu thereof (*Effective October 1, 2023*):

219 (a) As used in this section, (1) "hospital bed fund" means any gift of
220 money, stock, bonds, financial instruments or other property made by
221 any donor for the purpose of establishing a fund to provide medical
222 care, including, but not limited to, inpatient or outpatient care, to
223 patients at a hospital. A hospital bed fund may be established by inter
224 vivos gift, bequest, subscription, solicitation, dedication or any other
225 means; (2) "hospital" [means hospital as defined] has the same meaning
226 as provided in section 19a-490; (3) "collection agent" means any person,
227 either employed by or under contract to, a hospital, who is engaged in
228 the business of collecting payment from consumers for medical services
229 provided by the hospital, and includes, but is not limited to, attorneys
230 performing debt collection activities; and (4) "hospital financial
231 assistance" has the same meaning as provided in section 3 of this act.

232 (b) (1) Each hospital which holds or administers one or more hospital
233 bed funds shall post or cause to be posted in a conspicuous public place
234 in each patient admitting location, including, but not limited to, the
235 admissions office, emergency room, social services department and
236 patient accounts or billing office, information in English and Spanish
237 regarding the availability of its hospital bed funds, in plain language in
238 a forty-eight to seventy-two point type size. Such information shall
239 include: (A) Notification of the existence of hospital bed funds and the

240 hospital's program to administer them, and (B) the person to contact for
241 application information.

242 (2) Each hospital [which has a hospital bed fund] shall train staff,
243 including but not limited to, hospital social workers, discharge planners
244 and billing personnel concerning the existence of [such fund] any
245 hospital bed fund and hospital financial assistance, the eligibility
246 requirements for any such fund and such financial assistance, and the
247 procedures for [application] a patient to apply for any such fund or
248 financial assistance.

249 (c) Each hospital [that holds or administers one or more hospital bed
250 funds] shall make available in a place and manner allowing individual
251 members of the public to easily obtain it, a one-page summary in
252 English and Spanish describing any hospital bed funds and hospital
253 financial assistance and how to apply for [them] such funds, if such
254 funds exist, and such financial assistance. Upon request, a hospital shall
255 make the summary available in each additional language spoken by at
256 least five per cent of the population that resides in the geographic area
257 served by the hospital. The summary shall also describe any other
258 policies regarding the provision of charity care and [reduced cost
259 services for the indigent] other financial assistance as reported by the
260 hospital to the Health Systems Planning Unit of the Office of Health
261 Strategy pursuant to section 19a-649, as amended by this act, and shall
262 clearly distinguish hospital bed funds and hospital financial assistance
263 from other sources of financial assistance. The summary shall include
264 (1) notification that the patient is entitled to reapply upon rejection, and
265 that additional funds may become available on an annual basis, and (2)
266 a link to the application for hospital financial assistance described in
267 section 3 of this act. The summary shall be available in the patient
268 admissions office, emergency room, social services department and
269 patient accounts or billing office, [, and from any collection agent] Each
270 hospital shall include the link to the Internet web site where the
271 summary is posted in all billing statements issued by the hospital and
272 include a paper copy of the summary in all hospital discharge
273 paperwork provided to each patient. If during the admission process or

274 during its review of the financial resources of the patient, the hospital
275 reasonably believes the patient will have limited funds to pay for any
276 portion of the patient's hospitalization not covered by insurance, the
277 hospital shall provide the summary to each such patient. The summary
278 shall comply with the plain language standards described in section 42-
279 152 and shall not include any statement that suggests that a patient is
280 required to apply for the Connecticut medical assistance program,
281 Medicare, other government-funded coverage or insurance through the
282 Connecticut Health Insurance Exchange.

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

287 (e) [Applicants] Each hospital shall notify an applicant for assistance
288 from hospital bed funds [shall be notified] or for hospital financial
289 assistance, in writing, of any award or any rejection and the reason for
290 such rejection. Patients who cannot pay any outstanding medical bill at
291 the hospital shall be allowed to apply or reapply for hospital bed funds
292 and other programs providing financial assistance. Each hospital shall
293 offer an applicant, who is deemed ineligible for hospital financial
294 assistance, a payment plan amounting to not more than two per cent of
295 the applicant's annual household income per year. No hospital nor
296 collection agent for a hospital may charge a patient interest on medical
297 debt if the patient is eligible for any financial assistance.

298 (f) Each hospital which holds or administers one or more hospital bed
299 funds shall maintain and annually compile, at the end of the fiscal year
300 of the hospital, the following information: (1) The number of
301 applications for hospital bed funds; (2) the number of patients receiving
302 hospital bed fund grants and the actual dollar amounts provided to each
303 patient from such fund; (3) the fair market value of the principal of each
304 individual hospital bed fund, or the principal attributable to each bed
305 fund if held in a pooled investment; (4) the total earnings for each
306 hospital bed fund or the earnings attributable to each hospital bed fund;

307 (5) the dollar amount of earnings reinvested as principal if any; and (6)
308 the dollar amount of earnings available for patient care. The information
309 compiled pursuant to this subsection shall be permanently retained by
310 the hospital and made available to the Health Systems Planning Unit
311 upon request.

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

Statement of Purpose:
To improve hospital financial policies.

[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.]