



General Assembly

February Session, 2020

***Raised Bill No. 340***

LCO No. 1595



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING COLLECTION EFFORTS BY HOSPITALS AND  
COLLECTION AGENTS AGAINST UNINSURED AND UNDERINSURED  
PATIENTS.***

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 Section 19a-673 of the general statutes is repealed and the  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, 2020*):

3 (a) As used in this section:

4 (1) "Collection agent" has the same meaning as provided in section  
5 19a-509b.

6 [(1)] (2) "Cost of providing services" means a hospital's published  
7 charges at the time of billing, multiplied by the hospital's most recent  
8 relationship of costs to charges as taken from the hospital's most recently  
9 available annual financial filing with the unit.

10 (3) "High deductible health plan" has the same meaning as provided  
11 in Section 220(c)(2) or Section 223(c)(2) of the Internal Revenue Code of  
12 1986, or any subsequent corresponding internal revenue code of the

13 United States, as amended from time to time.

14 [(2)] (4) "Hospital" [means an institution licensed by the Department  
15 of Public Health as a short-term general hospital] has the same meaning  
16 as provided in section 19a-490.

17 [(3)] (5) "Poverty income guidelines" means the poverty income  
18 guidelines issued from time to time by the United States Department of  
19 Health and Human Services.

20 (6) "Underinsured patient" means any person who is insured under a  
21 high deductible health plan and liable for one or more hospital charges,  
22 and whose income is at or below six hundred per cent of the poverty  
23 income guidelines.

24 [(4)] (7) "Uninsured patient" means any person who is liable for one  
25 or more hospital charges whose income is at or below two hundred fifty  
26 per cent of the poverty income guidelines who (A) has applied and been  
27 denied eligibility for any medical or health care coverage provided  
28 under the Medicaid program due to failure to satisfy income or other  
29 eligibility requirements, and (B) is not eligible for coverage for hospital  
30 services under the Medicare or CHAMPUS programs, or under any  
31 Medicaid or health insurance program of any other nation, state,  
32 territory or commonwealth, or under any other governmental or  
33 privately sponsored health or accident insurance or benefit program  
34 including, but not limited to, workers' compensation and awards,  
35 settlements or judgments arising from claims, suits or proceedings  
36 involving motor vehicle accidents or alleged negligence.

37 (b) (1) No hospital that has provided health care [services] to an  
38 uninsured patient may collect from the uninsured patient more than the  
39 cost of providing services.

40 (2) No hospital that has provided health care to an underinsured  
41 patient on or after October 1, 2020, may collect from the underinsured  
42 patient more than the cost of providing services plus interest at an  
43 annual rate that is not greater than the lesser of:

44     (A) The weekly average one-year constant maturity yield of United  
45     States Treasury securities as published by the Board of Governors of the  
46     Federal Reserve System for the week preceding the date on which such  
47     underinsured patient first receives a bill for such health care if such  
48     average is equal to or greater than two per cent per annum;

49     (B) A rate established by the executive director of the Office of Health  
50     Strategy, established under section 19a-754, and in effect on the date on  
51     which such underinsured patient first receives a bill for such health care  
52     if the Board of Governors of the Federal Reserve System discontinues  
53     the rate described in subparagraph (A) of this subdivision; or

54     (C) Five per cent.

55     (c) Each collection agent [, as defined in section 19a-509b,] engaged in  
56     collecting a debt from a patient arising from [services] health care  
57     provided at a hospital shall provide written notice to such patient as to  
58     whether the hospital deems the patient an insured patient,  
59     underinsured patient or [an] uninsured patient and the reasons for such  
60     determination.

61     Sec. 2. Section 19a-673b of the general statutes is repealed and the  
62     following is substituted in lieu thereof (*Effective October 1, 2020*):

63     (a) No hospital, as defined in section 19a-490, shall refer to a collection  
64     agent, as defined in section 19a-509b, or initiate an action against an  
65     individual patient or such patient's estate to collect fees arising from  
66     health care provided at a hospital:

67     (1) [on] On or after October 1, 2003, unless the hospital has [made a  
68     determination whether] determined that such individual patient is [(1)]  
69     an uninsured patient, as defined in section 19a-673, as amended by this  
70     act, [and (2) not eligible] who is ineligible for the hospital bed fund; [.]  
71     or

72     (2) On or after October 1, 2020, unless the hospital has determined  
73     that such individual patient is:

74 (A) An uninsured patient, as defined in said section 19a-673, as  
75 amended by this act, who is ineligible for the hospital bed fund; or

76 (B) An underinsured patient, as defined in said section 19a-673, as  
77 amended by this act, who is ineligible for the hospital bed fund and, if  
78 such underinsured patient has requested review of an adverse  
79 determination, as defined in section 38a-591a, for health care provided  
80 at such hospital, such underinsured patient has not received a final  
81 adverse determination, as defined in said section 38a-591a, for such  
82 health care.

83 (b) On or after October 1, 2020, no hospital, as defined in section 19a-  
84 490, and no collection agent, as defined in section 19a-509b, that receives  
85 a referral from a hospital, shall:

86 (1) Report an individual patient to a credit rating agency, as defined  
87 in section 36a-695, for a period of one year beginning on the date that  
88 such patient first receives a bill for health care provided by the hospital  
89 to such patient on or after October 1, 2020;

90 (2) Initiate an action to foreclose a lien on an individual patient's  
91 primary residence if the lien was filed to secure payment for health care  
92 provided by the hospital to such patient on or after October 1, 2020; or

93 (3) Apply to a court for an execution against an individual patient's  
94 wages pursuant to section 52-361a, or otherwise seek to garnish such  
95 patient's wages, to collect payment for health care provided by the  
96 hospital to such patient on or after October 1, 2020, if such patient is  
97 eligible for the hospital bed fund.

98 [(b)] (c) Nothing in [this] subsection (a) or (b) of this section shall  
99 affect a hospital's ability to initiate an action against an individual  
100 patient or such patient's estate to collect coinsurance, deductibles or fees  
101 arising from health care provided at a hospital where such coinsurance,  
102 deductibles or fees may be eligible for reimbursement through awards,  
103 settlements or judgments arising from claims, suits or proceedings. In  
104 addition, nothing in [this section] said subsections shall affect a

105 hospital's ability to initiate an action against an individual patient or  
106 such patient's estate where payment or reimbursement has been made,  
107 or likely is to be made, directly to the patient.

108 Sec. 3. Section 19a-673d of the general statutes is repealed and the  
109 following is substituted in lieu thereof (*Effective October 1, 2020*):

110 If, at any point in the debt collection process, whether before or after  
111 the entry of judgment, a hospital, [a consumer collection agency acting  
112 on behalf of the hospital, an attorney representing the hospital or any  
113 employee or agent of the hospital] as defined in section 19a-490, as  
114 amended by this act, or a collection agent, as defined in section 19a-509b,  
115 as amended by this act, becomes aware that a debtor from whom the  
116 hospital is seeking payment for [services] health care rendered receives  
117 information that the debtor has requested review of an adverse  
118 determination, as defined in section 38a-591a, for such health care and  
119 has not received a final adverse determination, as defined in said section  
120 38a-591a, or is eligible for hospital bed funds, free or reduced price  
121 hospital services [,] or any other program which would result in the  
122 elimination of liability for the debt or reduction in the amount of such  
123 liability, [the] such hospital [, collection agency, attorney, employee or  
124 agent] or collection agent shall promptly discontinue all collection  
125 efforts against such debtor for such health care and refer the collection  
126 file for such health care to [the] such hospital [for determination of such  
127 eligibility. The] until such hospital determines whether such debtor is  
128 eligible for such elimination or reduction or receives such final adverse  
129 determination. Such collection [effort] efforts shall not resume until such  
130 hospital makes such determination [is made] or such debtor receives  
131 such final adverse determination.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2020</i>	19a-673
Sec. 2	<i>October 1, 2020</i>	19a-673b
Sec. 3	<i>October 1, 2020</i>	19a-673d

***Statement of Purpose:***

To restrict (1) the amount that a hospital or collection agent may recover from an uninsured or underinsured patient for the unpaid cost of health care, and (2) the manner in which a hospital or collection agent may secure or recover payment for such unpaid cost.

*[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.]*