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ENGROSSED SUBSTITUTE HOUSE BILL 2836

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State of Washington

65th Legislature

2018 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Jenkins, Harris, Cody, Tharinger, Stonier, Slatter, Clibborn, Macri, Riccelli, Robinson, Valdez, Appleton, and Johnson)

READ FIRST TIME 02/02/18.

1 AN ACT Relating to delineating charity care and notice  
2 requirements without restricting charity care; amending RCW  
3 70.170.020 and 70.170.060; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 70.170.020 and 1995 c 269 s 2203 are each amended to  
6 read as follows:

7 As used in this chapter:

8 (1) "Department" means department of health.

9 (2) "Hospital" means any health care institution which is  
10 required to qualify for a license under RCW 70.41.020(~~(+2)~~) (7); or  
11 as a psychiatric hospital under chapter 71.12 RCW.

12 (3) "Secretary" means secretary of health.

13 (4) "Charity care" means medically necessary hospital health care  
14 rendered to indigent persons when third-party coverage, if any, has  
15 been exhausted, to the extent that the persons are unable to pay for  
16 the care or to pay deductibles or coinsurance amounts required by a  
17 third-party payer, as determined by the department.

18 (5) "Third-party coverage" means an obligation on the part of an  
19 insurance company, health care service contractor, health maintenance  
20 organization, group health plan, government program, tribal health  
21 benefits, or health care sharing ministry as defined in 26 U.S.C.

1 Sec. 5000A to pay for the care of covered patients and services, and  
2 may include settlements, judgments, or awards actually received  
3 related to the negligent acts of others which have resulted in the  
4 medical condition for which the patient has received hospital health  
5 care service. The pendency of such settlements, judgments, or awards  
6 must not stay hospital obligations to consider an eligible patient  
7 for charity care.

8 (6) "Sliding fee schedule" means a hospital-determined, publicly  
9 available schedule of discounts to charges for persons deemed  
10 eligible for charity care; such schedules shall be established after  
11 consideration of guidelines developed by the department.

12 ((+6+)) (7) "Special studies" means studies which have not been  
13 funded through the department's biennial or other legislative  
14 appropriations.

15 **Sec. 2.** RCW 70.170.060 and 1998 c 245 s 118 are each amended to  
16 read as follows:

17 (1) No hospital or its medical staff shall adopt or maintain  
18 admission practices or policies which result in:

19 (a) A significant reduction in the proportion of patients who  
20 have no third-party coverage and who are unable to pay for hospital  
21 services;

22 (b) A significant reduction in the proportion of individuals  
23 admitted for inpatient hospital services for which payment is, or is  
24 likely to be, less than the anticipated charges for or costs of such  
25 services; or

26 (c) The refusal to admit patients who would be expected to  
27 require unusually costly or prolonged treatment for reasons other  
28 than those related to the appropriateness of the care available at  
29 the hospital.

30 (2) No hospital shall adopt or maintain practices or policies  
31 which would deny access to emergency care based on ability to pay. No  
32 hospital which maintains an emergency department shall transfer a  
33 patient with an emergency medical condition or who is in active labor  
34 unless the transfer is performed at the request of the patient or is  
35 due to the limited medical resources of the transferring hospital.  
36 Hospitals must follow reasonable procedures in making transfers to  
37 other hospitals including confirmation of acceptance of the transfer  
38 by the receiving hospital.

1 (3) The department shall develop definitions by rule, as  
2 appropriate, for subsection (1) of this section and, with reference  
3 to federal requirements, subsection (2) of this section. The  
4 department shall monitor hospital compliance with subsections (1) and  
5 (2) of this section. The department shall report individual instances  
6 of possible noncompliance to the state attorney general or the  
7 appropriate federal agency.

8 (4) The department shall establish and maintain by rule,  
9 consistent with the definition of charity care in RCW 70.170.020, the  
10 following:

11 (a) Uniform procedures, data requirements, and criteria for  
12 identifying patients receiving charity care;

13 (b) A definition of residual bad debt including reasonable and  
14 uniform standards for collection procedures to be used in efforts to  
15 collect the unpaid portions of hospital charges that are the  
16 patient's responsibility.

17 (5) For the purpose of providing charity care, each hospital  
18 shall develop, implement, and maintain a charity care policy which,  
19 consistent with subsection (1) of this section, shall enable people  
20 below the federal poverty level access to appropriate hospital-based  
21 medical services, and a sliding fee schedule for determination of  
22 discounts from charges for persons who qualify for such discounts by  
23 January 1, 1990. The department shall develop specific guidelines to  
24 assist hospitals in setting sliding fee schedules required by this  
25 section. All persons with family income below one hundred percent of  
26 the federal poverty standard shall be deemed charity care patients  
27 for the full amount of hospital charges, (~~provided that such persons  
28 are not eligible for other private or public health coverage  
29 sponsorship. Persons who may be eligible for charity care shall be  
30 notified by the hospital.~~

31 (6)) except to the extent the patient has third-party coverage  
32 for those charges.

33 (6) Each hospital shall post and prominently display notice of  
34 charity care availability. Notice must be posted in all languages  
35 spoken by more than ten percent of the population of the hospital  
36 service area. Notice must be displayed in at least the following  
37 locations:

38 (a) Areas where patients are admitted or registered;

39 (b) Emergency departments, if any; and

1 (c) Financial service or billing areas where accessible to  
2 patients.

3 (7) Current versions of the hospital's charity care policy, a  
4 plain language summary of the hospital's charity care policy, and the  
5 hospital's charity care application form must be available on the  
6 hospital's web site. The summary and application form must be  
7 available in all languages spoken by more than ten percent of the  
8 population of the hospital service area.

9 (8)(a) All hospital billing statements and other written  
10 communications concerning billing or collection of a hospital bill by  
11 a hospital must include the following or a substantially similar  
12 statement prominently displayed on the first page of the statement in  
13 both English and the second most spoken language in the hospital's  
14 service area:

15 You may qualify for free care or a discount on your hospital  
16 bill, whether or not you have insurance. Please contact our  
17 financial assistance office at [web site] and [phone number].

18 (b) Nothing in (a) of this subsection requires any hospital to  
19 alter any preprinted hospital billing statements existing as of  
20 October 1, 2018.

21 (9) Hospital obligations under federal and state laws to provide  
22 meaningful access for limited English proficiency and non-English-  
23 speaking patients apply to information regarding billing and charity  
24 care. Hospitals shall develop standardized training programs on the  
25 hospital's charity care policy and use of interpreter services, and  
26 provide regular training for appropriate staff, including the  
27 relevant and appropriate staff who perform functions relating to  
28 registration, admissions, or billing.

29 (10) Each hospital shall make every reasonable effort to  
30 determine:

31 (a) The existence or nonexistence of private or public  
32 sponsorship which might cover in full or part the charges for care  
33 rendered by the hospital to a patient;

34 (b) The annual family income of the patient as classified under  
35 federal poverty income guidelines as of the time the health care  
36 services were provided, or at the time of application for charity  
37 care if the application is made within two years of the time of  
38 service, the patient has been making good faith efforts towards  
39 payment of health care services rendered, and the patient  
40 demonstrates eligibility for charity care; and

1        (c) The eligibility of the patient for charity care as defined in  
2 this chapter and in accordance with hospital policy. An initial  
3 determination of sponsorship status shall precede collection efforts  
4 directed at the patient.

5        ~~((7))~~ (11) At the hospital's discretion, a hospital may  
6 consider applications for charity care at any time, including any  
7 time there is a change in a patient's financial circumstances.

8        (12) The department shall monitor the distribution of charity  
9 care among hospitals, with reference to factors such as relative need  
10 for charity care in hospital service areas and trends in private and  
11 public health coverage. The department shall prepare reports that  
12 identify any problems in distribution which are in contradiction of  
13 the intent of this chapter. The report shall include an assessment of  
14 the effects of the provisions of this chapter on access to hospital  
15 and health care services, as well as an evaluation of the  
16 contribution of all purchasers of care to hospital charity care.

17        ~~((8))~~ (13) The department shall issue a report on the subjects  
18 addressed in this section at least annually, with the first report  
19 due on July 1, 1990.

20        NEW SECTION.    **Sec. 3.** This act takes effect October 1, 2018.

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