

Summary of SB 6273
Changes to Washington State Charity Care Law

During the 2018 legislative session WSHA actively pursued a bill to make improvements to clarify the state law on charity care (RCW 70.170). The final legislation represents a compromise with other stakeholders and includes improvements to the charity care law. Below is a summary of the changes in SB 6273. The new law goes into effect October 1, 2018.

Note: The Department of Health (DOH) has yet to create new rules implementing SB 6273. DOH received budget dollars to engage in rulemaking, so there will be more changes to the charity care law soon. Hospitals still need to comply with the new law by October 1, 2018. DOH has not established rulemaking timeframe.

Topic	Current Law	SB 6273	New Law (underlined is new language)
Relevant time period to assess income	<ul style="list-style-type: none"> Each hospital shall make every reasonable effort to determine the family income of the patient as classified under federal poverty income guidelines 	<ul style="list-style-type: none"> Specifies that hospitals assess income based on the time the patient applies for charity care if the patient: <ul style="list-style-type: none"> Has been making good faith effort to pay their bill AND applies for charity care within 2 years of the time of service Specifies that hospitals assess income based on the time the health care services were provided if the patient: <ul style="list-style-type: none"> Applies within 2 years of the time of service, but has not been making good faith efforts to pay; or Applies after 2 years from the time of service; Permits a hospital, at its discretion, to consider applications for charity care at any time, including any time there is a change in a patient's financial circumstances. <p>Note: State law still contains no deadline to apply for charity care, but the new law establishes a time period to use to assess patient income.</p>	<p>(10) Each hospital shall make every reasonable effort to determine:</p> <p>(a) The existence or nonexistence of private or public sponsorship which might cover in full or part the charges for care rendered by the hospital to a patient;</p> <p>(b) The <u>annual</u> family income of the patient as classified under federal poverty income guidelines <u>as of the time the health care services were provided, or at the time of application for charity care if the application is made within two years of the time of service, the patient has been making good faith efforts towards payment of health care services rendered, and the patient demonstrates eligibility for charity care;</u> and</p> <p>(c) The eligibility of the patient for charity care as defined in this chapter and in accordance with hospital policy. An initial determination of sponsorship status shall precede collection efforts directed at the patient.</p> <p><u>(11) At the hospital's discretion, a hospital may consider applications for charity care at any time, including any time there is a change in a patient's financial circumstances.</u></p>

Staff training	<i>Not in current law</i>	<ul style="list-style-type: none"> Requires hospitals to develop standardized training programs on the hospital's charity care policy and use of interpreter services, and provide regular training for appropriate staff, including the relevant and appropriate staff who perform functions relating to registration, admissions, or billing. 	<u>Hospital obligations under federal and state laws to provide meaningful access for limited English proficiency and non-English-speaking patients apply to information regarding billing and charity care. Hospitals shall develop standardized training programs on the hospital's charity care policy and use of interpreter services, and provide regular training for appropriate staff, including the relevant and appropriate staff who perform functions relating to registration, admissions, or billing.</u>
Definition of “charity care”	<ul style="list-style-type: none"> “Necessary hospital health care rendered to indigent persons, to the extent that the persons are unable to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payer, as determined by the department.” 	<ul style="list-style-type: none"> Specifies that services must be “medically necessary” Specifies that charity care is available “when third-party coverage, if any, has been exhausted” 	“Charity care” means <u>medically necessary hospital health care rendered to indigent persons when third-party coverage, if any, has been exhausted</u> , to the extent that the persons are unable to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payer, as determined by the department.
Definition of “third party coverage”	<i>Not in current statute, definition in WAC:</i> <ul style="list-style-type: none"> “Means an obligation on the part of an insurance company or governmental program which contracts with hospitals and patients to pay for the care of covered patients and services and may include settlements, judgments, or awards actually received related to the negligent acts of others which have resulted in the medical condition for which the patient has received hospital services.” 	<ul style="list-style-type: none"> Creates a definition in statute Adds more sources of coverage: <ul style="list-style-type: none"> Health care service contractor, health maintenance organization, group health plan, tribal health benefits, or health care sharing ministry as defined in 26 U.S.C. Sec. 5000A to pay for the care of covered patients and services Adds that a hospital cannot deny consideration of an eligible patient for charity care while waiting on settlements, judgments, or awards 	“Third-party coverage” means an obligation on <u>the part of an insurance company, health care service contractor, health maintenance organization, group health plan, government program, tribal health benefits, or health care sharing ministry as defined in 26 U.S.C. Sec. 5000A to pay for the care of covered patients and services, and may include settlements, judgments, or awards actually received related to the negligent acts of others which have resulted in the medical condition for which the patient has received hospital health care service. The pendency of such settlements, judgments, or awards must not stay hospital obligations to consider an eligible patient for charity care.</u>
Posting notice of charity care in hospitals	<ul style="list-style-type: none"> Requires notice/signage that hospital charges may be waived or reduced be publicly available “Publicly available” means “posted or prominently displayed within public areas of the hospital and 	<ul style="list-style-type: none"> Requires hospitals to “post and prominently display” notice of charity care availability. Notice must be posted in all languages spoken 	Each hospital shall <u>post and prominently display notice of charity care availability. Notice must be posted in all languages spoken by more than ten percent of the population of the hospital service</u>

	provided to the individual in writing and explained, at the time that the hospital requests information from the responsible party with regard to the availability of any third-party coverage”	<p>by more than ten percent of the population of the hospital service area.</p> <ul style="list-style-type: none"> Requires notice must be displayed in at least the following locations: <ul style="list-style-type: none"> Areas where patients are admitted or registered; Emergency departments, if any; and Financial service or billing areas where accessible to patients. 	<p>area. Notice must be displayed in at least the following locations:</p> <p><u>(a) Areas where patients are admitted or registered;</u></p> <p><u>(b) Emergency departments, if any; and</u></p> <p><u>(c) Financial service or billing areas where accessible to patients.</u></p>
Posting charity care information on hospital websites	<i>Not in current law</i>	<ul style="list-style-type: none"> Requires that current versions of the hospital's charity care policy, a plain language summary of the policy, and the hospital's charity care application form be available on the hospital's web site. 	<p><u>Current versions of the hospital's charity care policy, a plain language summary of the hospital's charity care policy, and the hospital's charity care application form must be available on the hospital's web site. The summary and application form must be available in all languages spoken by more than ten percent of the population of the hospital service area.</u></p>
Including statement about charity care on billing and collections statements	<i>Not in current law</i>	<ul style="list-style-type: none"> Requires that hospital billing statements and other written communications concerning billing or collection of a hospital bill by a hospital must include a statement about charity care The notice must be prominently displayed on the first page of the statement in both English and the second most spoken language in the hospital's service area (Spanish) The statement must be the following or a substantially similar to this language: <ul style="list-style-type: none"> You may qualify for free care or a discount on your hospital bill, whether or not you have insurance. Please contact our financial assistance office at [web site] and [phone number]. Hospitals can use already printed hospital billing statements existing as of October 1, 2018 (effective date of law) before switching to new versions 	<p><u>(8)(a) All hospital billing statements and other written communications concerning billing or collection of a hospital bill by a hospital must include the following or a substantially similar statement prominently displayed on the first page of the statement in both English and the second most spoken language in the hospital's service area:</u></p> <p><u>You may qualify for free care or a discount on your hospital bill, whether or not you have insurance. Please contact our financial assistance office at [web site] and [phone number].</u></p> <p><u>(b) Nothing in (a) of this subsection requires any hospital to alter any preprinted hospital billing statements existing as of October 1, 2018.</u></p>

<p>Translation obligations</p>	<ul style="list-style-type: none"> Charity care information must be translated into languages spoken by 10% of the hospitals service area <p>Note: Hospitals also have translation obligations under federal law</p>	<ul style="list-style-type: none"> The plain language summary of the hospital’s charity care policy and the hospital’s application form must be available in all languages spoken by more than ten percent of the population of the hospital service area. 	<p><u>(7) Current versions of the hospital's charity care policy, a plain language summary of the hospital's charity care policy, and the hospital's charity care application form must be available on the hospital's web site. The summary and application form must be available in all languages spoken by more than ten percent of the population of the hospital service area.</u></p>
<p>Interpreter obligations</p>	<ul style="list-style-type: none"> Charity care information must be interpreted for non-English speaking or limited-English speaking or other patients who cannot read or understand the writing and explanation <p>Note: Hospitals also have interpreter obligations under federal law</p>	<ul style="list-style-type: none"> Hospital obligations under federal and state laws to provide meaningful access for limited English proficiency and non-English-speaking patients apply to information regarding billing and charity care. 	<p><u>(9) Hospital obligations under federal and state laws to provide meaningful access for limited English proficiency and non-English-speaking patients apply to information regarding billing and charity care. Hospitals shall develop standardized training programs on the hospital's charity care policy and use of interpreter services, and provide regular training for appropriate staff, including the relevant and appropriate staff who perform functions relating to registration, admissions, or billing.</u></p>

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