



General Assembly

January Session, 2021

Substitute Bill No. 683



**AN ACT CONCERNING HOSPITAL BILLING AND COLLECTION
EFFORTS BY HOSPITALS AND COLLECTION AGENCIES.**

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 Section 19a-673 of the general statutes is repealed and the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, 2021*):

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 or entity that is owned by or affiliated with such
38 hospital that has provided health care [services] to an uninsured patient
39 may collect from the uninsured patient more than the cost of providing
40 [services] such health care.

41 (2) No hospital or entity that is owned by or affiliated with such
42 hospital that has provided health care to an underinsured patient on or
43 after October 1, 2021, may collect from the underinsured patient more
44 than the cost of providing health care plus interest at an annual rate that
45 is not greater than the lesser of:

46 (A) The weekly average one-year constant maturity yield of United
47 States Treasury securities as published by the Board of Governors of the

48 Federal Reserve System for the week preceding the date on which such
49 underinsured patient first receives a bill for such health care if such
50 average is equal to or greater than two per cent per annum;

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

56 (C) Five per cent.

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

63 Sec. 2. Section 19a-673b of the general statutes is repealed and the
64 following is substituted in lieu thereof (*Effective October 1, 2021*):

65 (a) 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, or initiate an action against an individual
68 patient or such patient's estate to collect fees arising from health care
69 provided at a hospital [on] or entity that is owned by or affiliated with
70 such hospital:

71 (1) On or after October 1, 2003, unless the hospital or entity that is
72 owned by or affiliated with such hospital has [made a determination
73 whether] determined that such individual patient is [(1)] an uninsured
74 patient, as defined in section 19a-673, as amended by this act, [and (2)
75 not eligible] who is ineligible for the hospital bed fund; [.] or

76 (2) On or after October 1, 2021, unless the hospital or entity that is
77 owned by or affiliated with such hospital has determined that such

78 individual patient is:

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

81 (B) An underinsured patient, as defined in section 19a-673, as
82 amended by this act, who is ineligible for the hospital bed fund and, if
83 such underinsured patient has requested review of an adverse
84 determination, as defined in section 38a-591a, for health care provided
85 at such hospital, such underinsured patient has received a final adverse
86 determination, as defined in section 38a-591a, for such health care.

87 (b) On or after October 1, 2021, no hospital or entity that is owned by
88 or affiliated with such hospital, as defined in section 19a-490, and no
89 collection agent, as defined in section 19a-509b, that receives a referral
90 from a hospital or entity that is owned by or affiliated with such
91 hospital, shall:

92 (1) Report an individual patient to a credit rating agency, as defined
93 in section 36a-695, for a period of one year beginning on the date that
94 such patient first receives a bill for health care provided by the hospital
95 or entity that is owned by or affiliated with such hospital to such patient
96 on or after October 1, 2021;

97 (2) Initiate an action to foreclose a lien on an individual patient's
98 primary residence if the lien was filed to secure payment for health care
99 provided by the hospital or entity that is owned by or affiliated with
100 such hospital to such patient on or after October 1, 2021; or

101 (3) Apply to a court for an execution against an individual patient's
102 wages pursuant to section 52-361a, or otherwise seek to garnish such
103 patient's wages, to collect payment for health care provided by the
104 hospital or entity that is owned by or affiliated with such hospital to
105 such patient on or after October 1, 2021, if such patient is eligible for the
106 hospital bed fund.

107 [(b)] (c) Nothing in [this] subsection (a) or (b) of this section shall

108 affect [a hospital's] the ability of a hospital or entity that is owned by or
109 affiliated with such hospital to initiate an action against an individual
110 patient or such patient's estate to collect coinsurance, deductibles or fees
111 arising from health care provided at a hospital or entity that is owned
112 by or affiliated with such hospital where such coinsurance, deductibles
113 or fees may be eligible for reimbursement through awards, settlements
114 or judgments arising from claims, suits or proceedings. In addition,
115 nothing in [this section] said subsections shall affect [a hospital's] the
116 ability of a hospital or entity that is owned by or affiliated with such
117 hospital to initiate an action against an individual patient or such
118 patient's estate where payment or reimbursement has been made, or
119 likely is to be made, directly to the patient.

120 Sec. 3. Section 19a-673d of the general statutes is repealed and the
121 following is substituted in lieu thereof (*Effective October 1, 2021*):

122 If, at any point in the debt collection process, whether before or after
123 the entry of judgment, a hospital [, a consumer collection agency acting
124 on behalf of the hospital, an attorney representing the hospital or any
125 employee or agent of the hospital] or entity that is owned by or affiliated
126 with such hospital, as defined in section 19a-490, or a collection agent,
127 as defined in section 19a-509b, becomes aware that a debtor from whom
128 the hospital or entity that is owned by or affiliated with such hospital is
129 seeking payment for [services] health care rendered receives
130 information that the debtor has requested review of an adverse
131 determination, as defined in section 38a-591a, for such health care and
132 has not received a final adverse determination, as defined in section 38a-
133 591a, or is eligible for hospital bed funds, free or reduced price hospital
134 services [,] or any other program which would result in the elimination
135 of liability for the debt or reduction in the amount of such liability, [the]
136 such hospital [, collection agency, attorney, employee or agent] or entity
137 that is owned by or affiliated with such hospital or collection agent shall
138 promptly discontinue all collection efforts against such debtor for such
139 health care and refer the collection file for such health care to [the] such
140 hospital [for determination of such eligibility. The] or entity that is

141 owned by or affiliated with such hospital until such hospital or entity
142 determines whether such debtor is eligible for such elimination or
143 reduction or receives such final adverse determination. Such collection
144 [effort] efforts shall not resume until such hospital or entity makes such
145 determination [is made] or such debtor receives such final adverse
146 determination.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2021</i>	19a-673
Sec. 2	<i>October 1, 2021</i>	19a-673b
Sec. 3	<i>October 1, 2021</i>	19a-673d

Statement of Legislative Commissioners:

In Sec. 1(b)(1), "services" was bracketed and "such health care" was inserted after the closing bracket for accuracy; in Sec. (1)(b)(2)(B), "19a-754" was changed to "19a-754a" for accuracy; and in Sec. 2(a)(2)(B), "not received" was changed to "received" for accuracy.

PH *Joint Favorable Subst. -LCO*