

NONPROFIT HOSPITAL AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jennifer Dailey-Provost

Senate Sponsor: _____

LONG TITLE

General Description:

This bill enacts provisions regarding nonprofit hospital systems.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires a nonprofit hospital system to provide the Department of Health and Human Services (department) and the public with information regarding uncompensated care, financial assistance policies, and certain other information;
- ▶ requires a nonprofit hospital system to develop a procedure to implement a financial assistance policy; and
- ▶ creates a reporting requirement.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

26B-1-243, Utah Code Annotated 1953

26B-1-244, Utah Code Annotated 1953



28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **26B-1-243** is enacted to read:

30 **26B-1-243. Nonprofit hospital system reporting -- Uncompensated care and gift to**
31 **the community.**

32 (1) As used in this section:

33 (a) "Hospital" means a general acute hospital, as that term is defined in Section
34 26B-2-201, or a specialty hospital, as that term is defined in Section 26B-2-201.

35 (b) "Nonprofit hospital system" means an entity that:

36 (i) owns or operates at least one hospital that is licensed under Chapter 2, Part 2,
37 Health Care Facility Licensing and Inspection; and

38 (ii) receives an exemption from taxation under Subsection 59-2-1101(3)(a)(iv).

39 (c) (i) "Schedule H" means the federal Form 990, Schedule H, related to hospital
40 financial assistance, community benefits, and other financial information.

41 (ii) "Schedule H" includes if the federal Form 990, Schedule H, is discontinued, a
42 successor form as determined by the department.

43 (2) A nonprofit hospital system shall post to the nonprofit hospital system's website the
44 following information regarding the nonprofit hospital system's community health needs
45 assessment conducted under 26 C.F.R. Sec. 1.501(r)-(3):

46 (a) a description of the health care needs identified in the community health needs
47 assessment;

48 (b) the three-year strategy developed to address the health care needs of the
49 community;

50 (c) annual progress on the implementation of the strategy; and

51 (d) opportunities for public participation in the assessment and development of the
52 strategy.

53 (3) Before July 1 of each year, a nonprofit hospital system shall submit to the
54 department the following information regarding community benefit spending disaggregated for
55 each hospital or medical clinic operated by the nonprofit hospital system for the preceding
56 calendar year:

57 (a) quantifiable activities and services, including:

58 (i) indigent care;

- 59 (ii) community education and service;
60 (iii) medical discounts;
61 (iv) donations of time;
62 (v) donations of money; and
63 (vi) community value; and
64 (b) a copy of the nonprofit hospital system's Schedule H for the preceding calendar
65 year, including corresponding attachments and reporting for:
66 (i) financial assistance;
67 (ii) means-tested government programs; and
68 (iii) community building activities in parts I and II of the Schedule H.
69 (4) Before July 1 of each year, each nonprofit hospital system shall submit the
70 following information regarding uncompensated care for the preceding calendar year to the
71 department:
72 (a) disaggregated costs incurred by a hospital or a medical clinic contributing to the
73 total monetary amount of uncompensated care, including:
74 (i) services provided to uninsured patients;
75 (ii) services provided to Medicaid patients;
76 (iii) number of days Medicaid patients were in hospital;
77 (iv) number of days low-income Medicare patients were in hospital; and
78 (v) bad debt, disaggregated by type of insurance held by a patient; and
79 (b) disaggregated payments received by a hospital or a medical clinic that offset
80 uncompensated care costs, including:
81 (i) Medicaid disproportionate share hospital payments;
82 (ii) Medicaid section 1115 uncompensated care payments;
83 (iii) Medicaid upper payment limit payments;
84 (iv) Medicare disproportionate share hospital payments;
85 (v) Medicare uncompensated care payments; and
86 (vi) Medicare bad debt payments.
87 (5) Before October 1 each year, the department shall provide a written report to the
88 Health and Human Services Interim Committee with the information provided under
89 Subsections (3) and (4) for each nonprofit hospital system.

90 Section 2. Section **26B-1-244** is enacted to read:

91 **26B-1-244. Nonprofit hospital system financial assistance policy.**

92 (1) As used in this section:

93 (a) "Financial assistance" means a reduction in the amount a patient, with individual or
94 family income below 400% of the federal poverty level who have a financial hardship, owes to
95 a hospital or medical clinic for medically-necessary services received based on a formula.

96 (b) "Hospital" means a general acute hospital, as that term is defined in Section
97 26B-2-201, or a specialty hospital, as that term is defined in Section 26B-2-201.

98 (c) "Nonprofit hospital system" means an entity that:

99 (i) owns or operates at least one hospital that is licensed under Chapter 2, Part 2,
100 Health Care Facility Licensing and Inspection; and

101 (ii) receives an exemption from taxation pursuant to Subsection 59-2-1101(3)(a)(iv).

102 (d) "Presumptive eligibility" means the process for a hospital to determine Medicaid
103 eligibility for an individual under 42 C.F.R. Sec. 435.1110.

104 (e) "Uninsured patient" means an individual receiving care at a hospital or medical
105 clinic who does not have a third-party source for payment of a medical bill.

106 (2) Each nonprofit hospital system shall:

107 (a) make available written information regarding the system's financial assistance
108 policies; and

109 (b) conspicuously post a sign in the admission and registration areas of a hospital with
110 the following notice: "You may be eligible for financial assistance under the terms and
111 conditions the hospital offers to qualified patients. For additional information, contact the
112 hospital financial assistance representative."

113 (3) The written information and sign described in Subsection (2) shall be in English
114 and in any other language that is the primary language of at least five percent of the patients
115 annually served by the nonprofit hospital system.

116 (4) Each nonprofit hospital system shall develop a procedure to determine a patient's
117 eligibility under the hospital's financial assistance policy in which the hospital:

118 (a) determines whether the patient has health insurance;

119 (b) determines whether the patient qualifies for presumptive eligibility in accordance
120 with department rule; and

121 (c) to the extent practicable, offers assistance to uninsured patients if the patient
122 chooses to apply for public or private health insurance.

123 (5) Before July 1 of each year, a nonprofit hospital system shall submit to the
124 department:

125 (a) the hospital's financial assistance policy developed under this section; and

126 (b) for the preceding calendar year:

127 (i) the number of patients who completed or partially completed an application for
128 financial assistance;

129 (ii) the total number of inpatients and outpatients who received:

130 (A) any amount of financial assistance; or

131 (B) free care;

132 (iii) the total number of uninsured patients who received care;

133 (iv) the total number of uninsured patients who received care and qualified for
134 presumptive eligibility;

135 (v) the total number of uninsured patients who received care, were identified as
136 qualifying for and applied for presumptive eligibility, but were subsequently denied Medicaid
137 coverage for being ineligible for Medicaid;

138 (vi) the total number of patients who applied for and were denied financial assistance;
139 and

140 (vii) the total amount of the costs of hospital services provided to patients who did not
141 apply for financial assistance and received:

142 (A) free care; or

143 (B) reduced cost care that was either covered by the hospital as financial assistance or
144 that the hospital charged to the patient.

145 (6) The department shall compile the reports under Subsection (5)(b) and issue a
146 hospital financial assistance report containing aggregated and disaggregated information for
147 each nonprofit hospital system in the state.

148 (7) Before October 1 each year, the department shall provide a written report to the
149 Health and Human Services Interim Committee with:

150 (a) each nonprofit hospital's financial assistance policy as described in Subsection
151 (5)(a); and

152 (b) the financial assistance report described in Subsection (6).
153 Section 3. **Effective date.**
154 This bill takes effect on May 1, 2024.