



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3593

Introduced 2/18/2025, by Rep. Dagmara Avelar

SYNOPSIS AS INTRODUCED:

210 ILCS 88/5
210 ILCS 88/10
210 ILCS 88/40
210 ILCS 89/5
210 ILCS 89/10

Amends the Fair Patient Billing Act. Requires that a hospital's obligation to patients under the Act shall cover all health care services, including, but not limited to, on-site health care services provided by a non-hospital entity. Provides that, in the event the hospital outsources health care services to an individual or entity that is separate from the hospital within the hospital facility or otherwise on the hospital site, the hospital's obligations under the Act continue as though the hospital had provided the health care services. Requires a hospital to ensure that the individual or entity contracted to provide health care services agrees in writing to operate under the hospital's financial assistance policy, screening obligations, collections provisions, and all other provisions of the Act, and requires a hospital to ensure that a hospital agent or on-site provider of outsourced health care services complies with the Act. Amends the Hospital Uninsured Patient Discount Act to establish similar requirements for hospitals. Provides that a hospital shall include charges from the third-party individual or entity when calculating the charge, discount, or collectible amount applicable under the Act.

LRB104 09784 BAB 19850 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Fair Patient Billing Act is amended by
5 changing Sections 5, 10, and 40 as follows:

6 (210 ILCS 88/5)

7 Sec. 5. Purpose; findings.

8 (a) The purpose of this Act is to advance the prompt and
9 accurate payment of health care services through fair and
10 reasonable billing and collection practices of hospitals.

11 (b) The General Assembly finds that:

12 (1) Medical debts are the cause of an increasing
13 number of bankruptcies in Illinois and are typically
14 associated with severe financial hardship incurred by
15 bankrupt persons and their families.

16 (2) Patients, hospitals, and government bodies alike
17 will benefit from clearly articulated standards regarding
18 fair billing and collection practices for all Illinois
19 hospitals.

20 (3) Hospitals should employ responsible standards when
21 collecting debt from their patients.

22 (4) Patients should be provided sufficient billing
23 information from hospitals to determine the accuracy of

1 the bills for which they may be financially responsible.

2 (5) Patients should be given a fair and reasonable
3 opportunity to discuss and assess the accuracy of their
4 bill.

5 (6) Hospitals should provide patients with timely and
6 meaningful access to any financial assistance available
7 through the hospital and any public health insurance
8 programs for which patients may be eligible to prevent
9 patients from ending up with avoidable medical debt.
10 Hospitals should assist patients who need financial
11 assistance to access it. Patients who are deemed eligible
12 for hospital financial assistance or public health
13 insurance programs should not be improperly billed,
14 steered into payment plans, or sent to collections.

15 (7) Hospitals should offer patients the opportunity to
16 enter into a reasonable payment plan for their hospital
17 care.

18 (8) Patients have an obligation to pay for the
19 hospital services they receive subject to any discounts or
20 free care for which they are eligible under Illinois law.

21 (9) Hospitals have an obligation to screen uninsured
22 patients before pursuing collection action. To promote the
23 general welfare and to mitigate the negative impact that
24 medical debt has on accessing and using needed health
25 care, hospitals should not attempt to collect a debt from
26 an uninsured patient without first adequately screening

1 the patient for public health insurance programs and
2 financial assistance available to the patient and
3 assisting the patient in obtaining the hospital financial
4 assistance for which they are eligible.

5 (10) Hospitals are increasingly outsourcing on-site
6 health care services to third-party individuals or
7 entities without extending the screening, billing, and
8 collections protections afforded to hospital patients
9 under this Act. A hospital's obligation to patients under
10 this Act should continue when a hospital has outsourced or
11 otherwise contracted with a third-party individual or
12 entity to provide specific health care services within the
13 hospital building, or otherwise on the hospital site.

14 (Source: P.A. 103-323, eff. 1-1-24.)

15 (210 ILCS 88/10)

16 Sec. 10. Definitions. As used in this Act:

17 "Collection action" means any referral of a bill to a
18 collection agency or law firm to collect payment for services
19 from a patient or a patient's guarantor for hospital services.

20 "Health care plan" means a health insurance company,
21 health maintenance organization, preferred provider
22 arrangement, or third party administrator authorized in this
23 State to issue policies or subscriber contracts or administer
24 those policies and contracts that reimburse for inpatient and
25 outpatient services provided in a hospital. Health care plan,

1 however, does not include any government-funded program such
2 as Medicare or Medicaid, workers' compensation, and accident
3 liability insurers.

4 "Insured patient" means a patient who is insured by a
5 health care plan.

6 "Medical debt" means a debt arising from the receipt of
7 health care services, products, or devices.

8 "Outsource" or "outsourcing" means a business arrangement
9 where the hospital has contracted services or functions to be
10 performed by an external individual or entity on a contract
11 basis, although the services or functions may still be
12 performed on the hospital site. "Outsourced" or "outsourcing"
13 is distinct from an in-network or out-of-network contracted
14 relationship with an insurer described in Section 50.

15 "Patient" means the individual receiving services from the
16 hospital and any individual who is the guarantor of the
17 payment for such services.

18 "Public health insurance program" means Medicare;
19 Medicaid; medical assistance under the Non-Citizen Victims of
20 Trafficking, Torture and Other Serious Crimes program; Health
21 Benefit for Immigrant Adults; Health Benefit for Immigrant
22 Seniors; All Kids; or other medical assistance programs
23 offered by the Department of Healthcare and Family Services.

24 "Reasonable payment plan" means a plan to pay a hospital
25 bill that is offered to the patient or the patient's legal
26 representative and takes into account the patient's available

1 income and assets, the amount owed, and any prior payments.

2 "Screen" or "screening" means a process whereby a hospital
3 engages with a patient to review and assess the patient's
4 potential eligibility for any financial assistance offered by
5 the hospital, public health insurance program, or other
6 discounted care known to the hospital; informs the patient of
7 the hospital's assessment; documents in the patient's record
8 the circumstances of the screening; and assists with the
9 application for hospital financial assistance.

10 "Uninsured patient" means a patient who is not insured by
11 a health care plan and is not a beneficiary under a
12 government-funded program, workers' compensation, or accident
13 liability insurance.

14 (Source: P.A. 103-323, eff. 1-1-24.)

15 (210 ILCS 88/40)

16 Sec. 40. Hospital agents; outsourced health care services
17 on-site.

18 (a) The hospital must ensure that any external collection
19 agency, law firm, or individual engaged by the hospital to
20 obtain payment of outstanding bills for hospital services
21 agrees in writing to comply with the collections provisions of
22 this Act.

23 (b) The hospital's obligation to patients under this Act
24 shall cover all health care services, including, but not
25 limited to, on-site health care services provided by a

1 non-hospital entity.

2 (c) In the event the hospital outsources health care
3 services to an individual or entity that is separate from the
4 hospital within the hospital facility or otherwise on the
5 hospital site, the hospital's obligations under this Act
6 continue as though the hospital had provided the health care
7 services.

8 (d) The hospital must ensure that the individual or entity
9 contracted to provide health care services agrees in writing
10 to operate under the hospital's financial assistance policy,
11 screening obligations, collections provisions, and all other
12 provisions of this Act.

13 (e) The hospital is responsible for ensuring a hospital
14 agent or on-site provider of outsourced health care services
15 complies with this Act.

16 (Source: P.A. 94-885, eff. 1-1-07.)

17 Section 10. The Hospital Uninsured Patient Discount Act is
18 amended by changing Sections 5 and 10 as follows:

19 (210 ILCS 89/5)

20 Sec. 5. Definitions. As used in this Act:

21 "Community health center" means a federally qualified
22 health center as defined in Section 1905(1)(2)(B) of the
23 federal Social Security Act or a federally qualified health
24 center look-alike.

1 "Cost to charge ratio" means the ratio of a hospital's
2 costs to its charges taken from its most recently filed
3 Medicare cost report (CMS 2552-96 Worksheet C, Part I, PPS
4 Inpatient Ratios).

5 "Critical Access Hospital" means a hospital that is
6 designated as such under the federal Medicare Rural Hospital
7 Flexibility Program.

8 "Family income" means the sum of a family's annual
9 earnings and cash benefits from all sources before taxes, less
10 payments made for child support.

11 "Federal poverty income guidelines" means the poverty
12 guidelines updated periodically in the Federal Register by the
13 United States Department of Health and Human Services under
14 authority of 42 U.S.C. 9902(2).

15 "Financial assistance" means a discount provided to a
16 patient under the terms and conditions a hospital offers to
17 qualified patients or as required by law.

18 "Free and charitable clinic" means a 501(c)(3) tax-exempt
19 health care organization providing health services to
20 low-income uninsured or underinsured individuals that is
21 recognized by either the Illinois Association of Free and
22 Charitable Clinics or the National Association of Free and
23 Charitable Clinics.

24 "Guaranteed income program" means a publicly or privately
25 funded program that provides one-time or recurring
26 unconditional cash transfers or payments, or gifts to

1 individuals or households, for a defined number of months or
2 years for the purposes of reducing poverty, promoting economic
3 mobility, or increasing the financial stability of Illinois
4 residents.

5 "Health care services" means any medically necessary
6 inpatient or outpatient hospital service, including
7 pharmaceuticals or supplies provided by a hospital to a
8 patient.

9 "Hospital" means any facility or institution required to
10 be licensed pursuant to the Hospital Licensing Act or operated
11 under the University of Illinois Hospital Act.

12 "Illinois resident" means any person who lives in Illinois
13 and who intends to remain living in Illinois indefinitely.
14 Relocation to Illinois for the sole purpose of receiving
15 health care benefits does not satisfy the residency
16 requirement under this Act.

17 "Medically necessary" means any inpatient or outpatient
18 hospital service, including pharmaceuticals or supplies
19 provided by a hospital to a patient, covered under Title XVIII
20 of the federal Social Security Act for beneficiaries with the
21 same clinical presentation as the uninsured patient. A
22 "medically necessary" service does not include any of the
23 following:

24 (1) Non-medical services such as social and vocational
25 services.

26 (2) Elective cosmetic surgery, but not plastic surgery

1 designed to correct disfigurement caused by injury,
2 illness, or congenital defect or deformity.

3 "Outsource" or "outsourcing" means a business arrangement
4 where the hospital has contracted services or functions to be
5 performed by an external individual or entity on a contract
6 basis, although the services or functions may still be
7 performed on the hospital site.

8 "Rural hospital" means a hospital that is located outside
9 a metropolitan statistical area.

10 "Uninsured discount" means a hospital's charges multiplied
11 by the uninsured discount factor.

12 "Uninsured discount factor" means 1.0 less the product of
13 a hospital's cost to charge ratio multiplied by 1.35.

14 "Uninsured patient" means an Illinois resident who is a
15 patient of a hospital and is not covered under a policy of
16 health insurance and is not a beneficiary under a public or
17 private health insurance, health benefit, or other health
18 coverage program, including high deductible health insurance
19 plans, workers' compensation, accident liability insurance, or
20 other third party liability.

21 (Source: P.A. 102-581, eff. 1-1-22; 103-492, eff. 1-1-24.)

22 (210 ILCS 89/10)

23 Sec. 10. Uninsured patient discounts.

24 (a) Eligibility.

25 (1) A hospital, other than a rural hospital or

1 Critical Access Hospital, shall provide a discount from
2 its charges to any uninsured patient who applies for a
3 discount and has family income of not more than 600% of the
4 federal poverty income guidelines for all medically
5 necessary health care services exceeding \$150 in any one
6 inpatient admission or outpatient encounter.

7 (2) A hospital, other than a rural hospital or
8 Critical Access Hospital, shall provide a charitable
9 discount of 100% of its charges for all medically
10 necessary health care services exceeding \$150 in any one
11 inpatient admission or outpatient encounter to any
12 uninsured patient who applies for a discount and has
13 family income of not more than 200% of the federal poverty
14 income guidelines.

15 (3) A rural hospital or Critical Access Hospital shall
16 provide a discount from its charges to any uninsured
17 patient who applies for a discount and has annual family
18 income of not more than 300% of the federal poverty income
19 guidelines for all medically necessary health care
20 services exceeding \$300 in any one inpatient admission or
21 outpatient encounter.

22 (4) A rural hospital or Critical Access Hospital shall
23 provide a charitable discount of 100% of its charges for
24 all medically necessary health care services exceeding
25 \$300 in any one inpatient admission or outpatient
26 encounter to any uninsured patient who applies for a

1 discount and has family income of not more than 125% of the
2 federal poverty income guidelines.

3 (5) In determining eligibility under this Act, a
4 hospital subject to this Act shall exclude from
5 consideration any unconditional cash transfers, payments,
6 or gifts received under a guaranteed income program if:

7 (A) such cash transfers, payments, or gifts are
8 excluded from consideration for determining
9 eligibility under public health insurance programs
10 administered by the State in which the State has the
11 authority to waive guaranteed income; and

12 (B) the guaranteed income program is a program for
13 a defined number of months or years designed to reduce
14 poverty, promote social mobility, or increase
15 financial stability for program participants and if
16 there is an explicit plan to collect data.

17 This paragraph is inoperative on and after July 1,
18 2026.

19 (b) Discount. For all health care services exceeding \$300
20 in any one inpatient admission or outpatient encounter, a
21 hospital shall not collect from an uninsured patient, deemed
22 eligible under subsection (a), more than its charges less the
23 amount of the uninsured discount.

24 (c) Maximum Collectible Amount.

25 (1) The maximum amount that may be collected in a
26 12-month period for health care services provided by the

1 hospital from a patient determined by that hospital to be
2 eligible under subsection (a) is 20% of the patient's
3 family income, and is subject to the patient's continued
4 eligibility under this Act.

5 (2) The 12-month period to which the maximum amount
6 applies shall begin on the first date, after the effective
7 date of this Act, an uninsured patient receives health
8 care services that are determined to be eligible for the
9 uninsured discount at that hospital.

10 (3) To be eligible to have this maximum amount applied
11 to subsequent charges, the uninsured patient shall inform
12 the hospital in subsequent inpatient admissions or
13 outpatient encounters that the patient has previously
14 received health care services from that hospital and was
15 determined to be entitled to the uninsured discount. The
16 availability of the maximum collectible amount shall be
17 included in the hospital's financial assistance
18 information provided to uninsured patients.

19 (4) Hospitals may adopt policies to exclude an
20 uninsured patient from the application of subdivision
21 (c)(1) when the patient owns assets having a value in
22 excess of 600% of the federal poverty level for hospitals
23 in a metropolitan statistical area or owns assets having a
24 value in excess of 300% of the federal poverty level for
25 Critical Access Hospitals or hospitals outside a
26 metropolitan statistical area, not counting the following

1 assets: the uninsured patient's primary residence;
2 personal property exempt from judgment under Section
3 12-1001 of the Code of Civil Procedure; or any amounts
4 held in a pension or retirement plan, provided, however,
5 that distributions and payments from pension or retirement
6 plans may be included as income for the purposes of this
7 Act.

8 (d) Each hospital bill, invoice, or other summary of
9 charges to an uninsured patient shall include with it, or on
10 it, a prominent statement that an uninsured patient who meets
11 certain income requirements may qualify for an uninsured
12 discount and information regarding how an uninsured patient
13 may apply for consideration under the hospital's financial
14 assistance policy. The hospital's financial assistance
15 application shall include language that directs the uninsured
16 patient to contact the hospital's financial counseling
17 department with questions or concerns, along with contact
18 information for the financial counseling department, and shall
19 state: "Complaints or concerns with the uninsured patient
20 discount application process or hospital financial assistance
21 process may be reported to the Health Care Bureau of the
22 Illinois Attorney General.". A website, phone number, or both
23 provided by the Attorney General shall be included with this
24 statement.

25 (e) In the event the hospital contracts with a third-party
26 individual or entity that is separate from the hospital to

1 provide health care services within the hospital facility or
2 otherwise on the hospital site, the hospital's obligations
3 under this Act continue as though the hospital itself provided
4 the health care services. The hospital shall include charges
5 from the third-party individual or entity when calculating the
6 charge, discount, or collectible amount applicable under this
7 Act.

8 (f) The hospital's obligation to patients under this Act
9 covers all health care services, including, but not limited
10 to, outsourced on-site health care services provided by a
11 non-hospital entity.

12 (g) The hospital must ensure that the individual or entity
13 contracted to provide health care services agrees in writing
14 to operate under the hospital's uninsured patient discount and
15 all other provisions of this Act.

16 (h) The hospital is responsible for ensuring a hospital
17 agent or on-site provider of outsourced health care services
18 complies with this Act.

19 (Source: P.A. 102-581, eff. 1-1-22; 103-492, eff. 1-1-24.)