



Rep. Karen May

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LRB095 19723 RPM 51080 a

1 AMENDMENT TO SENATE BILL 2380

2 AMENDMENT NO. _____. Amend Senate Bill 2380 as follows:

3 on page 1, immediately below line 3, by inserting the
4 following:

5 "Section 1. Short title. This Act may be cited as the
6 Hospital Uninsured Patient Discount Act.

7 Section 5. Definitions. As used in this Act:

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

12 "Critical Access Hospital" means a hospital that is
13 designated as such under the federal Medicare Rural Hospital
14 Flexibility Program.

15 "Family income" means the sum of a family's annual earnings

1 and cash benefits from all sources before taxes, less payments
2 made for child support.

3 "Federal poverty income guidelines" means the poverty
4 guidelines updated periodically in the Federal Register by the
5 United States Department of Health and Human Services under
6 authority of 42 U.S.C. 9902(2).

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

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

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

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

26 (1) Non-medical services such as social and vocational

1 services.

2 (2) Elective cosmetic surgery, but not plastic surgery
3 designed to correct disfigurement caused by injury,
4 illness, or congenital defect or deformity.

5 "Rural hospital" means a hospital that is located outside a
6 metropolitan statistical area.

7 "Uninsured discount" means a hospital's charges multiplied
8 by the uninsured discount factor.

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

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

18 Section 10. Uninsured patient discounts.

19 (a) Eligibility.

20 (1) A hospital, other than a rural hospital or Critical
21 Access Hospital, shall provide a discount from its charges
22 to any uninsured patient who applies for a discount and has
23 family income of not more than 600% of the federal poverty
24 income guidelines for all medically necessary health care
25 services exceeding \$300 in any one inpatient admission or

1 outpatient encounter.

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

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

14 (c) Maximum Collectible Amount.

15 (1) The maximum amount that may be collected in a 12
16 month period for health care services provided by the
17 hospital from a patient determined by that hospital to be
18 eligible under subsection (a) is 25% of the patient's
19 family income, and is subject to the patient's continued
20 eligibility under this Act.

21 (2) The 12 month period to which the maximum amount
22 applies shall begin on the first date, after the effective
23 date of this Act, an uninsured patient receives health care
24 services that are determined to be eligible for the
25 uninsured discount at that hospital.

26 (3) To be eligible to have this maximum amount applied

1 to subsequent charges, the uninsured patient shall inform
2 the hospital in subsequent inpatient admissions or
3 outpatient encounters that the patient has previously
4 received health care services from that hospital and was
5 determined to be entitled to the uninsured discount.

6 (4) Hospitals may adopt policies to exclude an
7 uninsured patient from the application of subdivision
8 (c)(1) when the patient owns assets having a value in
9 excess of 600% of the federal poverty level for hospitals
10 in a metropolitan statistical area or owns assets having a
11 value in excess of 300% of the federal poverty level for
12 Critical Access Hospitals or hospitals outside a
13 metropolitan statistical area, not counting the following
14 assets: the uninsured patient's primary residence;
15 personal property exempt from judgment under Section
16 12-1001 of the Code of Civil Procedure; or any amounts held
17 in a pension or retirement plan, provided, however, that
18 distributions and payments from pension or retirement
19 plans may be included as income for the purposes of this
20 Act.

21 (d) Each hospital bill, invoice, or other summary of
22 charges to an uninsured patient shall include with it, or on
23 it, a prominent statement that an uninsured patient who meets
24 certain income requirements may qualify for an uninsured
25 discount and information regarding how an uninsured patient may
26 apply for consideration under the hospital's financial

1 assistance policy.

2 Section 15. Patient responsibility.

3 (a) Hospitals may make the availability of a discount and
4 the maximum collectible amount under this Act contingent upon
5 the uninsured patient first applying for coverage under public
6 programs, such as Medicare, Medicaid, AllKids, the State
7 Children's Health Insurance Program, or any other program, if
8 there is a reasonable basis to believe that the uninsured
9 patient may be eligible for such program.

10 (b) Hospitals shall permit an uninsured patient to apply
11 for a discount within 60 days of the date of discharge or date
12 of service.

13 (1) Income verification. Hospitals may require an
14 uninsured patient who is requesting an uninsured discount
15 to provide documentation of family income. Acceptable
16 family income documentation shall include any one of the
17 following:

18 (A) a copy of the most recent tax return;

19 (B) a copy of the most recent W-2 form and 1099
20 forms;

21 (C) copies of the 2 most recent pay stubs;

22 (D) written income verification from an employer
23 if paid in cash; or

24 (E) one other reasonable form of third party income
25 verification deemed acceptable to the hospital.

1 (2) Asset verification. Hospitals may require an
2 uninsured patient who is requesting an uninsured discount
3 to certify the existence of assets owned by the patient and
4 to provide documentation of the value of such assets.
5 Acceptable documentation may include statements from
6 financial institutions or some other third party
7 verification of an asset's value. If no third party
8 verification exists, then the patient shall certify as to
9 the estimated value of the asset.

10 (3) Illinois resident verification. Hospitals may
11 require an uninsured patient who is requesting an uninsured
12 discount to verify Illinois residency. Acceptable
13 verification of Illinois residency shall include any one of
14 the following:

15 (A) any of the documents listed in paragraph (1);

16 (B) a valid state-issued identification card;

17 (C) a recent residential utility bill;

18 (D) a lease agreement;

19 (E) a vehicle registration card;

20 (F) a voter registration card;

21 (G) mail addressed to the uninsured patient at an
22 Illinois address from a government or other credible
23 source;

24 (H) a statement from a family member of the
25 uninsured patient who resides at the same address and
26 presents verification of residency; or

1 (I) a letter from a homeless shelter, transitional
2 house or other similar facility verifying that the
3 uninsured patient resides at the facility.

4 (c) Hospital obligations toward an individual uninsured
5 patient under this Act shall cease if that patient unreasonably
6 fails or refuses to provide the hospital with information or
7 documentation requested under subsection (b) or to apply for
8 coverage under public programs when requested under subsection
9 (a) within 30 days of the hospital's request.

10 (d) In order for a hospital to determine the 12 month
11 maximum amount that can be collected from a patient deemed
12 eligible under Section 10, an uninsured patient shall inform
13 the hospital in subsequent inpatient admissions or outpatient
14 encounters that the patient has previously received health care
15 services from that hospital and was determined to be entitled
16 to the uninsured discount.

17 (e) Hospitals may require patients to certify that all of
18 the information provided in the application is true. The
19 application may state that if any of the information is untrue,
20 any discount granted to the patient is forfeited and the
21 patient is responsible for payment of the hospital's full
22 charges.

23 Section 20. Exemptions and limitations.

24 (a) Hospitals that do not charge for their services are
25 exempt from the provisions of this Act.

1 (b) Nothing in this Act shall be used by any private or
2 public health care insurer or plan as a basis for reducing its
3 payment or reimbursement rates or policies with any hospital.
4 Notwithstanding any other provisions of law, discounts
5 authorized under this Act shall not be used by any private or
6 public health care insurer or plan, regulatory agency,
7 arbitrator, court, or other third party to determine a
8 hospital's usual and customary charges for any health care
9 service.

10 (c) Nothing in this Act shall be construed to require a
11 hospital to provide an uninsured patient with a particular type
12 of health care service or other service.

13 (d) Nothing in this Act shall be deemed to reduce or
14 infringe upon the rights and obligations of hospitals and
15 patients under the Fair Patient Billing Act.

16 (e) The obligations of hospitals under this Act shall take
17 effect for health care services provided on or after the first
18 day of the month that begins 90 days after the effective date
19 of this Act or 90 days after the initial adoption of rules
20 authorized under subsection (a) of Section 25, whichever occurs
21 later.

22 Section 25. Enforcement.

23 (a) The Attorney General is responsible for administering
24 and ensuring compliance with this Act, including the
25 development of any rules necessary for the implementation and

1 enforcement of this Act.

2 (b) The Attorney General shall develop and implement a
3 process for receiving and handling complaints from individuals
4 or hospitals regarding possible violations of this Act.

5 (c) The Attorney General may conduct any investigation
6 deemed necessary regarding possible violations of this Act by
7 any hospital including, without limitation, the issuance of
8 subpoenas to:

9 (1) require the hospital to file a statement or report
10 or answer interrogatories in writing as to all information
11 relevant to the alleged violations;

12 (2) examine under oath any person who possesses
13 knowledge or information directly related to the alleged
14 violations; and

15 (3) examine any record, book, document, account, or
16 paper necessary to investigate the alleged violation.

17 (d) If the Attorney General determines that there is a
18 reason to believe that any hospital has violated this Act, the
19 Attorney General may bring an action in the name of the People
20 of the State against the hospital to obtain temporary,
21 preliminary, or permanent injunctive relief for any act,
22 policy, or practice by the hospital that violates this Act.
23 Before bringing such an action, the Attorney General may permit
24 the hospital to submit a Correction Plan for the Attorney
25 General's approval.

26 (e) This Section applies if:

1 (1) A court orders a party to make payments to the
2 Attorney General and the payments are to be used for the
3 operations of the Office of the Attorney General; or

4 (2) A party agrees in a Correction Plan under this Act
5 to make payments to the Attorney General for the operations
6 of the Office of the Attorney General.

7 (f) Moneys paid under any of the conditions described in
8 subsection (e) shall be deposited into the Attorney General
9 Court Ordered and Voluntary Compliance Payment Projects Fund.
10 Moneys in the Fund shall be used, subject to appropriation, for
11 the performance of any function, pertaining to the exercise of
12 the duties, to the Attorney General including, but not limited
13 to, enforcement of any law of this State and conducting public
14 education programs; however, any moneys in the Fund that are
15 required by the court to be used for a particular purpose shall
16 be used for that purpose.

17 (g) The Attorney General may seek the assessment of a civil
18 monetary penalty not to exceed \$500 per violation in any action
19 filed under this Act where a hospital, by pattern or practice,
20 knowingly violates Section 10 of this Act.

21 (h) In the event a court grants a final order of relief
22 against any hospital for a violation of this Act, the Attorney
23 General may, after all appeal rights have been exhausted, refer
24 the hospital to the Illinois Department of Public Health for
25 possible adverse licensure action under the Hospital Licensing
26 Act.

1 (i) Each hospital shall file Worksheet C Part I from its
2 most recently filed Medicare Cost Report with the Attorney
3 General within 60 days after the effective date of this Act and
4 thereafter shall file each subsequent Worksheet C Part I with
5 the Attorney General within 30 days of filing its Medicare Cost
6 Report with the hospital's fiscal intermediary.

7 Section 30. Home rule. A home rule unit may not regulate
8 hospitals in a manner inconsistent with the provisions of this
9 Act. This Section is a limitation under subsection (i) of
10 Section 6 of the Article VII of the Illinois Constitution on
11 the concurrent exercise by home rule units of powers and
12 functions exercised by the State."; and

13 on page 1, line 4, by replacing "5" with "90"; and

14 on page 12, by replacing line 16 with the following:

15 "becoming law, except that Sections 1 through 30 take effect 90
16 days after becoming law.".