

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 4 - 3 - 0

Yeas: Buckley, Hunt, Roblan, Rosenbaum

Nays: Berger, Esquivel, Thatcher

Exc.: -

Prepared By: Jim Stembridge, Administrator

Meeting Dates: 6/4, 6/6, 6/19

WHAT THE MEASURE DOES: Prohibits hospitals from billing to or attempting to collect from uninsured patients charges that exceed either Medicare rates or rates paid by hospital's highest volume insurer. Allows patients to claim treble damages and attorney fees if hospital bills or attempts to collect charges that are in violation of the Act. Limits provisions of the measure to families whose income is less than 350 percent of federal poverty guidelines. Limits provisions of the measure to medically-necessary services. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Hospital incomes and expenditures
- Fairness in hospital billings
- Statistics on hospital costs, usage, charges, and collections trends
- Discounts for insurance companies
- Regulated hospital rates in the state of Maryland
- Current hospital charity levels, hospital charity policies, and availability of those policies to the public
- Residency requirement
- Higher-income people who choose not to have health insurance
- Prohibition against hospitals requiring proof of income
- Current procedures hospitals use to verify eligibility for charity care

EFFECT OF COMMITTEE AMENDMENT: Adds needs tests to requirement on hospital billing. Limits provisions of the measure to families whose income is less than 350 percent of federal poverty guidelines. Limits provisions of the measure to medically-necessary services. Defines family income.

BACKGROUND: The cost of hospital care is normally covered, in part, by Medicare, Medicaid, or commercial insurance, with the patient often responsible for co-payments. Uninsured individuals are responsible for all costs. Since hospital care is often expensive, especially for complicated procedures, individuals without insurance incur high out-of-pocket costs, which they often cannot or will not pay. Hospitals typically provide charitable care for people who do not have health insurance or adequate resources. Some hospitals, such as Providence in Portland, have specific policies on the amount an individual will be charged when the patient has a certain percentage of income at the federal poverty level.

According to a 2007 report from the Office of Oregon Health Policy and Research, "Oregon's hospitals are experiencing increasing operating margins, which reflect hospital financial performance based on its primary activity—direct patient care." The report notes that the statewide median operating margin was 2.3 percent in 2003, increasing to 3.1 percent in 2005.

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This summary has not been adopted or officially endorsed by action of the committee.