

HB 4029 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Prohibits a nonprofit hospital from requiring an individual to apply for Medicaid prior to being screened for financial assistance. Declares emergency, effective on passage.

FISCAL: No fiscal impact

REVENUE: No revenue impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Not-for-profit hospitals may qualify for tax-exempt status at both the federal and state level (e.g., 501(c)(3) status), but must comply with a number of requirements (in addition to those imposed by the Affordable Care Act). These requirements include: publicizing a written financial assistance policy detailing eligibility criteria; a policy requiring the organization to provide emergency medical care indiscriminately regardless of a patient's eligibility for assistance; charging the same amounts for emergency or other medically necessary care provided to individuals eligible for assistance as to individuals with insurance; checking if an individual is eligible for assistance prior to engaging in financial collection actions; and conducting a community health needs assessment and adopting a strategy to meet identified needs.

In 2018, the Department of Homeland Security issued proposed regulations to implement a provision of the Immigration and Nationalization Act. The rule, often referred to as “public charge” expands the list of benefits the federal government may consider in determining whether an individual is deemed a public charge, which can affect a person’s immigration status. Public charge is a test used by immigration officials to assess whether an individual is likely to use public benefits. Benefits listed in the final rule include non-emergency Medicaid, Supplemental Nutrition Assistance Programs, federal housing vouchers, among other federal, state and local cash assistance programs (General Assistance programs). On January 27, 2020, the U.S. Supreme Court set aside a temporary injunction allowing the federal rule to take effect on February 24, 2020.

In 2019, House Bill 3076 passed, requiring nonprofit hospitals and hospital systems to establish financial assistance policies, often referred to as charity care, which is free or discounted care for individuals based on a patient's household income. The bill requires nonprofit hospitals to conduct eligibility screening to determine if patients qualify for their financial assistance policy.

House Bill 4029 prohibits nonprofit hospitals and health systems from requiring an individual to apply for Medicaid as part of the screening process in determining their eligibility for financial assistance.