

HB 3320 A STAFF MEASURE SUMMARY**Carrier:** Sen. Patterson**Senate Committee On Health Care**

Action Date: 05/08/23
Action: Do pass the A-Eng bill.
Vote: 3-0-2-1
Yeas: 3 - Campos, Patterson, President Wagner
Exc: 2 - Gorsek, Hayden
Abs: 1 - Bonham
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Oliver Droppers, LPRO Analyst
Meeting Dates: 5/1, 5/8

WHAT THE MEASURE DOES:

Requires hospitals to screen patients for presumptive eligibility for financial assistance if patient is uninsured, enrolled in the state medical assistance program, or owes hospital more than \$500. Directs Oregon Health Authority (OHA), in rule, to develop a process for hospitals to screen patients for presumptive eligibility for medical assistance and to document or verify information needed to determine eligibility. Requires a hospital to issue a refund or cancel debt when it is subsequently determined that a patient was eligible for financial assistance at the time of care. Requires hospitals to have a written process for a patient to appeal a hospital's denial of financial assistance by January 1, 2025; defines appeals process. Clarifies requirements for hospitals to notify patients about financial assistance, including prominent display of the application on each hospital's website. Directs hospitals to report the number of financial applications requested, approved, or denied; the number of patient accounts referred to a debt collector or collection agency; and other required information. Removes requirement for OHA to provide a general uniform application for financial assistance available to hospitals.

ISSUES DISCUSSED:

- Overview of Oregon's current hospital charity financial assistance law
- Trends in patient medical debt
- Oregon's financial assistance application and eligibility screening process; presumptive eligibility
- Recovery of patient costs and charity care appeal process
- Federal and state law governing nonprofit hospitals and charity care standards

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Not-for-profit hospitals may qualify for tax-exempt status at the federal and state level. According to the Legislative Revenue Office (see 2017 [report](#)), to qualify for and maintain federal tax-exempt 501(c)(3) status, hospitals must comply with a number of requirements (in addition to those imposed by the Affordable Care Act) including: establishing and widely publicizing a written financial assistance policy detailing eligibility criteria, the basis for calculating amounts charged, and how to apply; developing a written policy requiring the organization to provide emergency medical care indiscriminately regardless of a patient's eligibility for assistance; charging generally the same amounts for emergency or other medically necessary care provided to individuals eligible for assistance as to individuals with insurance; making reasonable efforts to determine whether an individual is eligible for assistance prior to engaging in extraordinary collection actions; and conducting a community health needs assessment and adopting an implementation strategy to meet identified needs.

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

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To maintain tax-exempt status at the state level, not-for-profit hospitals must document the benefits they provide to communities and report annually to the Oregon Health Authority (OHA). Oregon's 62 acute care hospitals (excluding two for-profit hospitals registered in Oregon) are subject to this reporting requirement.

In 2019, the Legislative Assembly passed House Bill 3076, requiring nonprofit hospitals and hospital systems to establish financial assistance policies meeting specified criteria and establishing consumer rights with respect to billing and charging for hospital services. House Bill 2360 (2021) updated these policies to prohibit nonprofit hospitals from requiring a patient to apply for medical assistance (the Oregon Health Plan) before screening for or providing financial assistance.

House Bill 3320 A requires hospitals to screen specified patients for eligibility for financial assistance and imposes additional requirements on hospital financial assistance programs.