SB2027

LRB10011328RJF21703b

100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2027

Introduced 2/10/2017, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

210 ILCS 88/30
210 ILCS 88/33 new

Amends the Fair Patient Billing Act. Provides that before pursuing a collection action against an insured patient for the unpaid amount of services rendered, a health care provider must review a patient's file to ensure that the patient does not have a Medicare supplement policy or any other secondary payer health insurance plan. Provides that if, after reviewing a patient's file, the health care provider finds no supplemental policy in the patient's record, the provider must then provide notice to the patient, and give that patient an opportunity to address the issue. Provides that if a health care provider has neither found information indicating the existence of a supplemental policy, nor received payment for services rendered to the patient, the health care provider may proceed with a collection action against the patient in accordance with specified provisions. Defines "supplemental policy". Makes a conforming change.

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A BILL FOR

AN ACT concerning regulation.

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

Section 5. The Fair Patient Billing Act is amended by changing Section 30 and by adding Section 33 as follows:

(210 ILCS 88/30)

Sec. 30. Pursuing collection action.

(a) Hospitals and their agents may pursue collection action against an uninsured patient only if the following conditions are met:

(1) The hospital has given the uninsured patient the opportunity to:

(A) assess the accuracy of the bill;

(B) apply for financial assistance under the hospital's financial assistance policy; and

(C) avail themselves of a reasonable payment plan.

(2) If the uninsured patient has indicated an inability to pay the full amount of the debt in one payment, the hospital has offered the patient a reasonable payment plan. The hospital may require the uninsured patient to provide reasonable verification of his or her inability to pay the full amount of the debt in one payment.

(3) To the extent the hospital provides financial

assistance and the circumstances of the uninsured patient suggest the potential for eligibility for charity care, the uninsured patient has been given at least 60 days following the date of discharge or receipt of outpatient care to submit an application for financial assistance.

(4) If the uninsured patient has agreed to a reasonable payment plan with the hospital, and the patient has failed to make payments in accordance with that reasonable payment plan.

(5) If the uninsured patient informs the hospital that he or she has applied for health care coverage under Medicaid, Kidcare, or other government-sponsored health care program (and there is a reasonable basis to believe that the patient will qualify for such program) but the patient's application is denied.

(b) A hospital may not refer a bill, or portion thereof, to a collection agency or attorney for collection action against the insured patient, without first offering the patient the opportunity to request a reasonable payment plan for the amount personally owed by the patient. Such an opportunity shall be made available for the 30 days following the date of the initial bill<u>, or after exhaustion of the process outlined in subsections (a) and (b) of Section 33</u>. If the insured patient requests a reasonable payment plan, but fails to agree to a plan within 30 days of the request, the hospital may proceed with collection action against the patient.

(c) No collection agency, law firm, or individual may initiate legal action for non-payment of a hospital bill against a patient without the written approval of an authorized hospital employee who reasonably believes that the conditions for pursuing collection action under this Section have been met.

(d) Nothing in this Section prohibits a hospital from engaging an outside third party agency, firm, or individual to manage the process of implementing the hospital's financial assistance and reasonable payment plan programs and policies so long as such agency, firm, or individual is contractually bound to comply with the terms of this Act.

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

(210 ILCS 88/33 new)

Sec. 33. Supplemental policy collection action.

(a) Before pursuing a collection action against an insured patient for the unpaid amount of services rendered, a health care provider must review a patient's file to ensure that the patient does not have a supplemental policy.

(b) If, after reviewing a patient's file, the health care provider finds no supplemental policy in the patient's record, the provider must then provide notice to the patient, and give that patient an opportunity to (1) assess the accuracy of the bill; (2) indicate or clarify whether he or she is covered by a supplemental policy; and (3) address the payment of the unpaid

sum.

(c) If, after exhausting the requirements of subsections (a) and (b) of this Section, a health care provider has neither found information indicating the existence of a supplemental policy, nor received payment for services rendered to the patient, the health care provider may proceed with a collection action against the patient, as provided under subsection (b) of Section 30 of this Act.

(d) For purposes of this Section, "supplemental policy" means a Medicare supplement policy, as defined in subsection (c) of Section 363 of the Illinois Insurance Code, or any other secondary payer health insurance plan.