



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB1802

Introduced 2/9/2023, 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.

LRB103 26152 CPF 52510 b

1 AN ACT concerning regulation.

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

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

6 (210 ILCS 88/30)

7 Sec. 30. Pursuing collection action.

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

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

13 (A) assess the accuracy of the bill;

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

16 (C) avail themselves of a reasonable payment plan.

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

1           (3) To the extent the hospital provides financial  
2 assistance and the circumstances of the uninsured patient  
3 suggest the potential for eligibility for charity care,  
4 the uninsured patient has been given at least 60 days  
5 following the date of discharge or receipt of outpatient  
6 care to submit an application for financial assistance.

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

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

17           (a-5) A hospital shall proactively offer information on  
18 charity care options available to uninsured patients,  
19 regardless of their immigration status or residency.

20           (b) A hospital may not refer a bill, or portion thereof, to  
21 a collection agency or attorney for collection action against  
22 the insured patient, without first offering the patient the  
23 opportunity to request a reasonable payment plan for the  
24 amount personally owed by the patient. Such an opportunity  
25 shall be made available for the 30 days following the date of  
26 the initial bill and after exhaustion of the process outlined

1 in subsections (a) and (b) of Section 33. If the insured  
2 patient requests a reasonable payment plan, but fails to agree  
3 to a plan within 30 days of the request, the hospital may  
4 proceed with collection action against the patient.

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

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

17 (Source: P.A. 102-504, eff. 12-1-21.)

18 (210 ILCS 88/33 new)

19 Sec. 33. Supplemental policy collection action.

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

24 (b) If, after reviewing a patient's file, the health care  
25 provider finds no supplemental policy in the patient's record,

1 the provider must then provide notice to the patient and give  
2 that patient an opportunity to (1) assess the accuracy of the  
3 bill; (2) indicate or clarify whether the patient is covered  
4 by a supplemental policy; and (3) address the payment of the  
5 unpaid sum.

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

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