

1 AN ACT concerning health facilities.

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

4 Section 1. Short title. This Act may be cited as the  
5 Truth in Hospital Billing and Finances Act.

6 Section 5. Findings. The General Assembly finds that:

7 (1) The rising cost of health care and services  
8 provided by health care facilities is a matter of vital  
9 concern to the people of this State and has a direct  
10 relationship to the ability of the people to obtain  
11 necessary health care.

12 (2) The citizens of this State have an inherent  
13 right to receive and have available to them health care  
14 programs and services that are capable of meeting  
15 individual needs.

16 (3) The public cannot make informed decisions about  
17 personal health care without access to information about  
18 the facilities that provide it.

19 Section 10. Purpose. It is the purpose of this Act to  
20 provide that the facilities and organizations covered by this  
21 Act shall make a public disclosure of their financial  
22 position and their policies concerning the treatment of those  
23 without full insurance and to ensure consumers timely access  
24 to information regarding hospital charges and collection  
25 procedures.

26 Section 15. Definitions. For the purposes of this Act,  
27 unless the context requires otherwise:

28 "Annual report" means an annual financial report for the  
29 health care facility's or related organization's fiscal year

1 prepared by an accountant or the covered facility's or  
2 related organization's auditor.

3 "Bad debt" means charges for which payment was expected  
4 but not received.

5 "Charity care" means health care services provided  
6 without charge with no expectation of payment valued at cost  
7 as determined by multiplying the hospital charge by the  
8 cost-to-charge ratio. "Charity care" shall not include  
9 Medicare and Medicaid shortfalls.

10 "Covered facilities" means hospitals and related  
11 organizations.

12 "Department" means the Department of Public Health.

13 "Gross patient revenues" means gross revenues received  
14 from program services, including bad debt and charity care.

15 "Hospital" means a health care facility licensed under  
16 the Hospital Licensing Act.

17 "Net patient revenue" means revenue excluding contractual  
18 allowances, negotiated discounts, charity care, and bad debt.

19 "Related organization" means an organization, whether  
20 publicly owned, nonprofit, tax-exempt, or for-profit, that is  
21 related to a hospital through common membership, governing  
22 bodies, trustees, officers, stock ownership, family members,  
23 partners or limited partners, including but not limited to  
24 subsidiaries, foundations, related corporations, and joint  
25 ventures. An organization is considered to be related to a  
26 hospital if one of the following conditions is met:

27 (1) The organization controls or is controlled by a  
28 hospital through contracts or other legal documents that  
29 give the organization the authority to direct any of the  
30 hospital's activities, management, or policies or allow  
31 the hospital to direct any of the organization's  
32 activities, management, or policies.

33 (2) The organization has solicited funds in the  
34 name of the hospital with the express or implied approval

1 of the hospital and a substantial portion of the funds  
2 was intended by the contributor or was otherwise required  
3 to be used for the benefit of the hospital.

4 (3) The hospital has transferred resources to the  
5 organization and a substantial portion of the  
6 organization's resources is held for the benefit of the  
7 hospital.

8 (4) The organization has transferred resources to  
9 the hospital and a substantial portion of the hospital's  
10 resources is held for the benefit of the organization.

11 (5) The hospital has assigned certain of its  
12 functions to the organization, which is operating  
13 primarily for the benefit of the hospital.

14 (6) The organization is wholly owned or was created  
15 by the hospital, and the hospital receives any of the  
16 profits of the organization.

17 (7) The hospital is wholly owned or was created by  
18 the organization, and the organization receives any of  
19 the profits of the hospital.

20 (8) In the event of the dissolution of the related  
21 entity, substantially all of the assets of the entity  
22 would become property of the creating entity.

23 Section 20. Annual public disclosure report.

24 (a) Every covered facility shall file with the  
25 Department an annual public disclosure report prepared by the  
26 covered facility's auditor or independent accountant within  
27 120 days after the end of its fiscal year, unless an  
28 extension is granted by the Department for good cause shown.

29 (b) The annual public disclosure report shall be for  
30 each individual hospital or related organization. If the  
31 hospital or related organization is a division or subsidiary  
32 of another entity that owns or operates other hospitals or  
33 related organizations, the annual public disclosure report

1 shall be for the specific division or subsidiary and not for  
2 the aggregate of or combined hospitals or related  
3 organizations of the other entity.

4 (c) The annual public disclosure report shall contain  
5 all of the following:

6 (1) A complete audited financial statement for the  
7 preceding fiscal year prepared and presented by an  
8 independent accountant or the auditor of the covered  
9 facility. All notes, schedules, and documents as required  
10 by the nationally recognized auditing guidelines shall  
11 accompany the financial statement.

12 (2) A note or addendum to the audited financial  
13 statement that includes all of the following:

14 (A) Gross patient revenues categorized by  
15 payer source.

16 (B) Net patient revenues categorized by payer  
17 source.

18 (C) Bad debt by payer source.

19 (D) The monetary valuation and type of charity  
20 care provided, reported by payer source and valued  
21 at cost as calculated by multiplying the  
22 cost-to-charge ratio by the charge. For the purpose  
23 of this item (D), "at cost" shall be calculated by  
24 applying the cost-to-charge ratios derived in  
25 accordance with generally accepted accounting  
26 principles for hospitals to charges. The calculation  
27 of the cost-to-charge ratios shall be based on the  
28 most recently completed and audited Medicaid Cost  
29 Report. The 7 categories of payer source are  
30 Medicare, Medicaid, Commercial, HMO,  
31 Self-administered, Self-pay, and Other.

32 (3) Debt collection policies and procedures,  
33 including policies for identifying third-party payers and  
34 procedures for pursuing court action.

1           (4) Charity care definitions, application  
2 procedures, policies, and means of informing the public  
3 about charity care.

4           (5) A complete schedule of current charges for all  
5 patient services provided by the covered facility at the  
6 close of its fiscal year.

7           (6) A statement of services available and rendered.

8           (7) Proof of public notification that the annual  
9 public disclosure report is available.

10          (d) Every covered facility shall also file with the  
11 Department the following statements, reports, and schedules  
12 in such form and at such intervals as may be specified by the  
13 Department, but at least annually:

14           (1) The approved budget and the annual capital  
15 expenditures budget for the upcoming fiscal year that  
16 sets forth the total financial needs of the covered  
17 facility and the resources available or expected to  
18 become available to meet such needs.

19           (2) If the covered facility is certified under the  
20 federal Medicare or Medicaid programs, a complete copy of  
21 all cost reports submitted to the Medicaid State agency,  
22 Medicare intermediaries, or other State agency  
23 administering legislative directed funding. If such a  
24 report is not prepared by the facility or organization  
25 within a given fiscal year, then it shall file a complete  
26 schedule of costs allocated to each category of costs in  
27 accordance with standards established by the State  
28 Medicaid office.

29           (3) A copy of such reports made or filed with the  
30 Center for Medicare and Medicaid Services, including the  
31 Wage and Salary Survey.

32           (4) A statement of all charges, fees, or salaries  
33 for goods or services rendered to the covered facility or  
34 related organization for the period reported that exceed

1 in total \$55,000 and a statement of all charges, fees, or  
2 other sums collected by the covered facility for or on  
3 the account of any person, firm, partnership,  
4 corporation, or other entity, however structured, that  
5 exceed in total \$55,000 during the period reported. This  
6 requirement does not apply to payments made or due as a  
7 result of services rendered to patients, clients, or  
8 residents to whom the covered facility typically provides  
9 services.

10 (5) A copy of all tax returns required to be filed  
11 by federal and State law.

12 (e) The annual public disclosure report shall be made  
13 available to consumers upon request at the Department of  
14 Public Health and on-site at each hospital.

15 Section 25. Patient access to bills. Hospitals shall  
16 include on their admission forms a conspicuous notice stating  
17 that the patient may, upon request, receive a copy of all  
18 individual hospital charges related to the patient. Admission  
19 forms shall also include a conspicuous notice specifying the  
20 name and contact information of a person whom the patient may  
21 contact to request a copy of the hospital charges related to  
22 the patient.

23 Hospitals shall include in their bills to patients, and  
24 to any third-party payers unless previously furnished, an  
25 explanation of any items identified by any code or initial.  
26 Within 30 days of a request by a patient, a hospital shall  
27 provide the patient an itemized bill free of charge. The  
28 itemized bill shall identify, in plain language, each  
29 individual service, supply, or medication provided to the  
30 patient by the hospital, the specific charge for the service,  
31 supply, or medication, and the name and contact information  
32 of a person whom the patient may contact with questions.

1           Section 30. Department reports. The Department of Public  
2 Health shall prepare an annual report to the General Assembly  
3 listing those hospitals that have failed to comply with the  
4 requirements of this Act. The Department of Public Health  
5 shall use the information submitted to prepare reports at the  
6 request of the General Assembly or the Governor. From time to  
7 time, the Department may engage in or carry out analyses and  
8 studies relating to health care costs, the financial status  
9 of any covered facility or related organization, or any other  
10 appropriate related matters, and may make determinations of  
11 whether, in its opinion, the rates charged by a covered  
12 facility are economically justified. The Department shall  
13 use the information submitted to publish charts on its  
14 website comparing charges by procedure and by facility for  
15 procedures identified by the Department.

16           Section 35. Confidentiality and public availability. No  
17 report, statement, schedule, or other filing required or  
18 permitted to be filed with the Department under this Act  
19 shall contain any medical or individual information  
20 personally identifiable to a patient or a consumer of health  
21 services, either directly or indirectly. All such reports,  
22 statements, and schedules filed with the Department under  
23 this Act shall be open to public inspection and shall be  
24 available for examination during regular hours. Copies of the  
25 reports shall be made available to the public upon request.  
26 The annual public disclosure report for each hospital and its  
27 related organizations shall be open to public inspection and  
28 shall be available during regular hours at the hospital site.

29           Tax returns filed by for-profit hospitals shall remain  
30 confidential, and the Department, its officers, employees, or  
31 agents shall not divulge or make any part known. The  
32 Department may release statistical data based upon these  
33 records.

1 Section 40. Verification of information. Whenever  
2 further fiscal information is deemed necessary to verify the  
3 accuracy of any information set forth in a statement,  
4 schedule, or report filed by a covered facility under the  
5 provisions of this Act, the Department shall have the  
6 authority to require the production of any records necessary  
7 to verify that information

8 Section 45. Whistleblower protection.

9 (a) A covered facility subject to the provisions of this  
10 Act may not discharge, demote, threaten, penalize,  
11 discriminate, or retaliate against any person or employee  
12 with respect to compensation, terms, conditions, or  
13 privileges of employment as a reprisal because the person or  
14 employee, acting in good faith, individually or in  
15 conjunction with another person or persons does any of the  
16 following:

17 (1) Reports a violation or suspected violation of  
18 this Act to a public regulatory agency, a private  
19 accreditation body, or management personnel of the  
20 covered facility.

21 (2) Initiates or cooperates or otherwise  
22 participates in an investigation or proceeding brought by  
23 a regulatory agency or accreditation body concerning  
24 matters covered by this Act.

25 (3) Informs or discusses violations or suspected  
26 violations of this Act with other employees,  
27 representatives of employees, patients or patient  
28 representatives, or the public.

29 (4) Provides or attempts to provide information to  
30 the Department regarding possible violations of this Act.

31 (b) An employee is presumed to have acted in good faith  
32 if the employee reasonably believes that the information  
33 reported or disclosed is true and that a violation has



1 occurred or may occur.

2 (c) A person or employee or former employee subject to  
3 the provisions of this Act who believes that he or she has  
4 been discharged or discriminated against in violation of this  
5 Section may file a civil action within 3 years after the date  
6 of the discharge or discrimination. If a court of competent  
7 jurisdiction finds by a preponderance of the evidence that a  
8 violation of this Section has occurred, the court may grant  
9 the relief it deems appropriate, including any of the  
10 following:

11 (1) Reinstatement of the employee to the employee's  
12 former position.

13 (2) Compensatory damages, costs, and reasonable  
14 attorney fees.

15 (3) Other legal and equitable relief to remedy the  
16 violation, as may be appropriate to effectuate the  
17 purposes of this Act.

18 (d) The protections of this Section do not apply to any  
19 employee or person who (i) deliberately causes or  
20 participates in the alleged violation or (ii) knowingly or  
21 recklessly provides substantially false information to the  
22 Department.

23 Section 50. Penalties. The Department may assess a civil  
24 penalty against a covered facility that fails to submit the  
25 materials required by this Act. The penalty may not exceed  
26 \$1,000 for each day a report is delinquent after the date on  
27 which the report is due.

28 Section 55. Third-party payor identification.

29 (a) Each hospital shall make every reasonable effort to  
30 determine the existence or nonexistence of a private or  
31 public third-party payor that might cover in full or in part  
32 the charges for care rendered by the hospital to a patient.

1           (b) An initial determination of sponsorship shall  
2 precede collection efforts directed at the patient.  
3 Collection efforts may not be undertaken by the hospital  
4 toward the patient if the insurance company is currently  
5 processing the claim or the patient has appealed the decision  
6 of the insurance company.

7           (c) At the time of admission, the hospital shall provide  
8 each patient that indicates that he or she does not have a  
9 third-party payor a language-appropriate list of the  
10 eligibility policies and procedures for receiving Medicaid,  
11 Medicare, charity care, and any other indigent medical  
12 programs provided by the hospital.

13           (d) At the time of admission, the hospital must also  
14 provide a language-appropriate written description of payment  
15 options and debt collection practices and procedures.