



Filed: 3/1/2006

09400HB4999ham002

LRB094 15918 LCT 56915 a

1 AMENDMENT TO HOUSE BILL 4999

2 AMENDMENT NO. _____. Amend House Bill 4999 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Fair
5 Patient Billing Act.

6 Section 5. Purpose; findings.

7 (a) The purpose of this Act is to advance the prompt and
8 accurate payment of health care services through fair and
9 reasonable billing and collection practices of hospitals.

10 (b) The General Assembly finds that:

11 (1) Medical debts are the cause of an increasing number
12 of bankruptcies in Illinois and are typically associated
13 with severe financial hardship incurred by bankrupt
14 persons and their families.

15 (2) Patients, hospitals, and government bodies alike
16 will benefit from clearly articulated standards regarding
17 fair billing and collection practices for all Illinois
18 hospitals.

19 (3) Hospitals should employ responsible standards when
20 collecting debt from their patients.

21 (4) Patients should be provided sufficient billing
22 information from hospitals to determine the accuracy of the
23 bills for which they may be financially responsible.

24 (5) Patients should be given a fair and reasonable

1 opportunity to discuss and assess the accuracy of their
2 bill.

3 (6) Patients should be provided information regarding
4 the hospital's policies regarding financial assistance
5 options the hospital may offer to qualified patients.

6 (7) Hospitals should offer patients the opportunity to
7 enter into a reasonable payment plan for their hospital
8 care.

9 (8) Patients have an obligation to pay for the hospital
10 services they receive.

11 Section 10. Definitions. As used in this Act:

12 "Collection action" means any referral of a bill to a
13 collection agency or law firm to collect payment for services
14 from a patient or a patient's guarantor for hospital services.

15 "Health care plan" means a health insurance company, health
16 maintenance organization, preferred provider arrangement, or
17 third party administrator authorized in this State to issue
18 policies or subscriber contracts or administer those policies
19 and contracts that reimburse for inpatient and outpatient
20 services provided in a hospital. Health care plan, however,
21 does not include any government-funded program such as Medicare
22 or Medicaid, workers' compensation, and accident liability
23 insurers.

24 "Insured patient" means a patient who is insured by a
25 health care plan.

26 "Patient" means the individual receiving services from the
27 hospital and any individual who is the guarantor of the payment
28 for such services.

29 "Reasonable payment plan" means a plan to pay a hospital
30 bill that is offered to the patient or the patient's legal
31 representative and takes into account the patient's available
32 income and assets, the amount owed, and any prior payments.

33 "Uninsured patient" means a patient who is not insured by a

1 health care plan and is not a beneficiary under a
2 government-funded program, workers' compensation, or accident
3 liability insurance.

4 Section 15. Patient notification.

5 (a) Each hospital shall post a sign with the following
6 notice:

7 "You may be eligible for financial assistance under
8 the terms and conditions the hospital offers to qualified
9 patients. For more information contact [hospital financial
10 assistance representative]".

11 (b) The sign under subsection (a) shall be posted
12 conspicuously in the admission and registration areas of the
13 hospital.

14 (c) The sign shall be in English, and in any other language
15 that is the primary language of at least 5% of the patients
16 served by the hospital annually.

17 (d) Each hospital that has a website must post a notice in
18 a prominent place on its website that financial assistance is
19 available at the hospital, a description of the financial
20 assistance application process, and a copy of the financial
21 assistance application.

22 (e) Each hospital must make available information
23 regarding financial assistance from the hospital in the form of
24 either a brochure, an application for financial assistance, or
25 other written material in the hospital admission or
26 registration area. If a patient is admitted to a hospital and
27 has no proof of insurance the hospital shall provide, at the
28 time of admission or as soon thereafter as practicable, to the
29 patient a brochure on financial assistance or a financial
30 assistance application.

31 Section 20. Bill information. If a hospital bills a patient
32 for health care services, the hospital shall provide with its

1 bill the following information:

2 (1) the date or dates that health care services were
3 provided to the patient;

4 (2) a brief description of the hospital services;

5 (3) the amount owed for hospital services;

6 (4) hospital contact information for addressing
7 billing inquiries;

8 (5) a statement regarding how an uninsured patient may
9 apply for consideration under the hospital's financial
10 assistance policy on or with each hospital bill sent to an
11 uninsured patient; and

12 (6) notice that the patient may obtain an itemized bill
13 upon request.

14 If a hospital bills a patient, then the hospital must
15 provide an itemized statement of charges for the inpatient and
16 outpatient services rendered by the hospital upon receiving a
17 request from the patient.

18 Section 25. Bill inquiries.

19 (a) A hospital must implement a process for patients to
20 inquire about or dispute a bill. Such process must include a
21 telephone number for billing inquiries and disputes and may
22 include any of the following options:

23 (1) a toll-free telephone number that the patient may
24 call;

25 (2) an address to which he or she may write;

26 (3) a department or identified individual within the
27 hospital he or she may call or write, with appropriate
28 contact information; or

29 (4) a website or e-mail address.

30 (b) All hospital bills and collection notices must provide
31 a telephone number allowing the patient to inquire about or
32 dispute a bill.

33 (c) The hospital must return calls made by patients as

1 promptly as possible, but no later than 2 business days after
2 the call is made. If the hospital's billing inquiry process
3 involves correspondence from the patient, the hospital must
4 respond within 10 business days of receipt of the patient
5 correspondence. For purposes of this Section, "business day"
6 means a day on which the hospital's billing office is open for
7 regular business.

8 Section 30. Pursuing collection action.

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

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

14 (A) assess the accuracy of the bill;

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

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

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

24 (3) To the extent the hospital provides financial
25 assistance and the circumstances of the uninsured patient
26 suggest the potential for eligibility for charity care, the
27 uninsured patient has been given at least 60 days following
28 the date of discharge or receipt of outpatient care to
29 submit an application for financial assistance.

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

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

7 (b) A hospital may not refer a bill, or portion thereof, to
8 a collection agency or attorney for collection action against
9 the insured patient, without first offering the patient the
10 opportunity to request a reasonable payment plan for the amount
11 personally owed by the patient. Such an opportunity shall be
12 made available for the 30 days following the date of the
13 initial bill. If the insured patient requests a reasonable
14 payment plan, but fails to agree to a plan within 30 days of
15 the request, the hospital may proceed with collection action
16 against the patient.

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

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

29 Section 35. Collection limitations. The hospital shall not
30 pursue legal action for non-payment of a hospital bill against
31 uninsured patients who have clearly demonstrated that they have
32 neither sufficient income nor assets to meet their financial
33 obligations provided the patient has complied with Section 45

1 of this Act.

2 Section 40. Hospital agents. The hospital must ensure that
3 any external collection agency, law firm, or individual engaged
4 by the hospital to obtain payment of outstanding bills for
5 hospital services agrees in writing to comply with the
6 collections provisions of this Act.

7 Section 45. Patient responsibilities.

8 (a) To receive the protection and benefits of this Act, a
9 patient responsible for paying a hospital bill must act
10 reasonably and cooperate in good faith with the hospital by
11 providing the hospital with all of the reasonably requested
12 financial and other relevant information and documentation
13 needed to determine the patient's eligibility under the
14 hospital's financial assistance policy and reasonable payment
15 plan options to qualified patients within 30 days of a request
16 for such information.

17 (b) To receive the protection and benefits of this Act, a
18 patient responsible for paying a hospital bill shall
19 communicate to the hospital any material change in the
20 patient's financial situation that may affect the patient's
21 ability to abide by the provisions of an agreed upon reasonable
22 payment plan or qualification for financial assistance within
23 30 days of the change.

24 Section 50. Notification concerning out-of-network
25 providers. During the admission or as soon as practicable
26 thereafter, the hospital must provide an insured patient with
27 written notice that:

28 (1) the patient may receive separate bills for services
29 provided by health care professionals affiliated with the
30 hospital;

31 (2) if applicable, some hospital staff members may not

1 be participating providers in the same insurance plans and
2 networks as the hospital;

3 (3) if applicable, the patient may have a greater
4 financial responsibility for services provided by health
5 care professionals at the hospital who are not under
6 contract with the patient's health care plan; and

7 (4) questions about coverage or benefit levels should
8 be directed to the patient's health care plan and the
9 patient's certificate of coverage.

10 Section 55. Enforcement.

11 (a) The Attorney General is responsible for administering
12 and ensuring compliance with this Act, including the
13 development of any rules necessary for the implementation and
14 enforcement of this Act.

15 (b) The Attorney General shall develop and implement a
16 process for receiving and handling complaints from individuals
17 or hospitals regarding possible violations of this Act.

18 (c) The Attorney General may conduct any investigation
19 deemed necessary regarding possible violations of this Act by
20 any hospital including, without limitation, the issuance of
21 subpoenas to: (i) require the hospital to file a statement or
22 report or answer interrogatories in writing as to all
23 information relevant to the alleged violations; (ii) examine
24 under oath any person who possesses knowledge or information
25 directly related to the alleged violations; and (iii) examine
26 any record, book, document, account, or paper necessary to
27 investigate the alleged violation.

28 (d) If the Attorney General determines that there is a
29 reason to believe that any hospital has violated the Act, the
30 Attorney General may bring an action in the name of the People
31 of the State against the hospital to obtain temporary,
32 preliminary, or permanent injunctive relief for any act,
33 policy, or practice by the hospital that violates this Act.

1 Before bringing such an action, the Attorney General may permit
2 the hospital to submit a Correction Plan for the Attorney
3 General's approval.

4 (e) This Section applies if:

5 (i) a court orders a party to make payments to the
6 Attorney General and the payments are to be used for the
7 operations of the Office of the Attorney General; or

8 (ii) a party agrees in a Correction Plan under this
9 Act, to make payments to the Attorney General for the
10 operations of the Office of the Attorney General.

11 (f) Moneys paid under any of the conditions described in
12 (e) shall be deposited into the Attorney General court ordered
13 and Voluntary Compliance Payment Projects Fund. Moneys in the
14 Fund shall be used, subject to appropriation, for the
15 performance of any function pertaining to the exercise of the
16 duties to the Attorney General including, but not limited to,
17 enforcement of any law of this State and conducting public
18 education programs; however, any moneys in the Fund that are
19 required by the court to be used for a particular purpose shall
20 be used for that purpose.

21 (g) The Attorney General may seek the assessment of one or
22 more of the following civil monetary penalties in any action
23 filed under this Act where the hospital knowingly violates the
24 Act:

25 (1) For violations, involving a pattern or practice, of
26 not providing the information to patients under Sections
27 15, 20, 25, and 50, the civil monetary penalty shall not
28 exceed \$500 per violation.

29 (2) For violations involving the failure to engage in
30 or refrain from certain activities under Sections 30, 35
31 and 40, the civil monetary penalty shall not exceed \$1000
32 per violation.

33 (h) In the event a court grants a final order of relief
34 against any hospital for a violation of this Act, the Attorney

1 General may, after all appeal rights have been exhausted, refer
2 the hospital to the Illinois Department of Public Health for
3 possible adverse licensure action under the Hospital Licensing
4 Act.

5 Section 60. Limitations. Nothing in this Act shall be used
6 by any private or public payer as a basis for reducing the
7 third-party payer's rates, policies, or usual and customary
8 charges for any health care service. Nothing in this Act shall
9 be construed as imposing an obligation on a hospital to provide
10 any particular service or treatment to an uninsured patient.
11 Nothing in this Act shall be construed as imposing an
12 obligation on a hospital to file a lawsuit to collect payment
13 on a patient's bill. This Act establishes new and additional
14 legal obligations for all hospitals in the State of Illinois.
15 Nothing in this Act shall be construed as relieving or reducing
16 any hospital of any other obligation under the Illinois
17 Constitution or under any other statute or the common law
18 including, without limitation, obligations of hospitals to
19 furnish financial assistance or community benefits. No
20 provision of this Act shall derogate from the common law or
21 statutory authority of the Attorney General, nor shall any
22 provision be construed as a limitation on the common law or
23 statutory authority of the Attorney General to investigate
24 hospitals or initiate enforcement actions against them
25 including, without limitation, the authority to investigate at
26 any time charitable trusts for the purpose of determining and
27 ascertaining whether they are being administered in accordance
28 with Illinois law and with the terms purposes thereof.

29 Section 70. Application.

30 (a) This Act applies to all hospitals licensed under the
31 Hospital Licensing Act or the University of Illinois Hospital
32 Act. This Act does not apply to a hospital that does not charge

1 for its services.

2 (b) The obligations of hospitals under this Act shall take
3 effect for services provided on or after the first day of the
4 month that begins 180 days after the effective date of this
5 Act.

6 Section 75. Home rule. A home rule unit may not regulate
7 hospitals in a manner inconsistent with the provisions of this
8 Act. This Section is a limitation under subsection (i) of
9 Section 6 of the Article VII of the Illinois Constitution on
10 the concurrent exercise by home rule units of powers and
11 functions exercised by the State.

12 Section 80. Administrative Procedure Act. The Illinois
13 Administrative Procedure Act applies to all rules promulgated
14 by the Attorney General under the Act.

15 Section 999. Effective date. This Act takes effect January
16 1, 2007."