

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.