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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.

27 Section 20. Bill information. If a hospital bills a patient  
28 for health care services, the hospital shall provide with its  
29 bill the following information:

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

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

- 1 (3) the amount owed for hospital services;
- 2 (4) hospital contact information for addressing  
3 billing inquiries;
- 4 (5) a statement regarding how an uninsured patient may  
5 apply for consideration under the hospital's financial  
6 assistance policy on or with each hospital bill sent to an  
7 uninsured patient; and
- 8 (6) notice that the patient may obtain an itemized bill  
9 upon request.

10 If a hospital bills a patient, then the hospital must  
11 provide an itemized statement of charges for the inpatient and  
12 outpatient services rendered by the hospital upon receiving a  
13 request from the patient.

14 Section 25. Bill inquiries.

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

- 19 (1) a toll-free telephone number that the patient may  
20 call;
- 21 (2) an address to which he or she may write;
- 22 (3) a department or identified individual within the  
23 hospital he or she may call or write, with appropriate  
24 contact information; or
- 25 (4) a website or e-mail address.

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

29 (c) The hospital must return calls made by patients as  
30 promptly as possible, but no later than 2 business days after  
31 the call is made. If the hospital's billing inquiry process  
32 involves correspondence from the patient, the hospital must  
33 respond within 10 business days of receipt of the patient

1 correspondence. For purposes of this Section, "business day"  
2 means a day on which the hospital's billing office is open for  
3 regular business.

4 Section 30. Pursuing collection action.

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

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

10 (A) assess the accuracy of the bill;

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

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

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

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

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

30 (5) If the uninsured patient informs the hospital that  
31 he or she has applied for health care coverage under  
32 Medicaid, Kidcare, or other government-sponsored health  
33 care program (and there is a reasonable basis to believe

1           that the patient will qualify for such program) but the  
2           patient's application is denied.

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

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

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

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

31          Section 40. Hospital agents. The hospital must ensure that  
32          any external collection agency, law firm, or individual engaged

1 by the hospital to obtain payment of outstanding bills for  
2 hospital services agrees in writing to comply with the  
3 collections provisions of this Act.

4 Section 45. Patient responsibilities.

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

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

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

25 (1) the patient may receive separate bills for services  
26 provided by health care professionals affiliated with the  
27 hospital;

28 (2) if applicable, some hospital staff members may not  
29 be participating providers in the same insurance plans and  
30 networks as the hospital;

31 (3) if applicable, the patient may have a greater  
32 financial responsibility for services provided by health

1 care professionals at the hospital who are not under  
2 contract with the patient's health care plan; and

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

6 Section 55. Enforcement.

7 (a) The Attorney General is responsible for administering  
8 and ensuring compliance with this Act, including the  
9 development of any rules necessary for the implementation and  
10 enforcement of this Act.

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

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

24 (d) If the Attorney General determines that there is a  
25 reason to believe that any hospital has violated the Act, the  
26 Attorney General may bring an action in the name of the People  
27 of the State against the hospital to obtain temporary,  
28 preliminary, or permanent injunctive relief for any act,  
29 policy, or practice by the hospital that violates this Act.  
30 Before bringing such an action, the Attorney General may permit  
31 the hospital to submit a Correction Plan for the Attorney  
32 General's approval.

33 (e) This Section applies if:



1           (i) a court orders a party to make payments to the  
2           Attorney General and the payments are to be used for the  
3           operations of the Office of the Attorney General; or

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

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

17          (g) The Attorney General may seek the assessment of one or  
18          more of the following civil monetary penalties in any action  
19          filed under this Act where the hospital knowingly violates the  
20          Act:

21               (1) For violations, involving a pattern or practice, of  
22               not providing the information to patients under Sections  
23               15, 20, 25, and 50, the civil monetary penalty shall not  
24               exceed \$500 per violation.

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

29          (h) In the event a court grants a final order of relief  
30          against any hospital for a violation of this Act, the Attorney  
31          General may, after all appeal rights have been exhausted, refer  
32          the hospital to the Illinois Department of Public Health for  
33          possible adverse licensure action under the Hospital Licensing  
34          Act.

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

25           Section 70. Application.

26           (a) This Act applies to all hospitals licensed under the  
27 Hospital Licensing Act or the University of Illinois Hospital  
28 Act. This Act does not apply to a hospital that does not charge  
29 for its services.

30           (b) The obligations of hospitals under this Act shall take  
31 effect for services provided on or after the first day of the  
32 month that begins 180 days after the effective date of this

1 Act.

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

8 Section 80. Administrative Procedure Act. The Illinois  
9 Administrative Procedure Act applies to all rules promulgated  
10 by the Attorney General under the Act.

11 Section 999. Effective date. This Act takes effect January  
12 1, 2007.".