



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB3434

Introduced 2/24/2011, by Rep. Ann Williams

#### SYNOPSIS AS INTRODUCED:

210 ILCS 89/5  
210 ILCS 89/10  
210 ILCS 89/15

Amends the Hospital Uninsured Patient Discount Act. Makes changes to the definition for "uninsured patient". In the provision concerning uninsured patient discounts, provides that the discount shall apply and the maximum collectible amount shall not apply to a patient who would otherwise be considered to be uninsured and eligible for a discount under the Act, except for the patient being eligible for compensation for health care services under the Crime Victims Compensation Act. Provides that a hospital that accepts payment for health care services under the Crime Victims Compensation Act on behalf of an otherwise uninsured crime victim shall be required to waive the remaining patient balance for that service and may not pursue the patient for any additional payment for the service. Makes changes in the provision concerning patient responsibility. Provides that the changes made by the amendatory Act are intended to be declarative of existing law. Effective immediately.

LRB097 10253 RPM 50455 b

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 5. The Hospital Uninsured Patient Discount Act is  
5 amended by changing Sections 5, 10, and 15 as follows:

6 (210 ILCS 89/5)

7 Sec. 5. Definitions. As used in this Act:

8 "Cost to charge ratio" means the ratio of a hospital's  
9 costs to its charges taken from its most recently filed  
10 Medicare cost report (CMS 2552-96 Worksheet C, Part I, PPS  
11 Inpatient Ratios).

12 "Critical Access Hospital" means a hospital that is  
13 designated as such under the federal Medicare Rural Hospital  
14 Flexibility Program.

15 "Family income" means the sum of a family's annual earnings  
16 and cash benefits from all sources before taxes, less payments  
17 made for child support.

18 "Federal poverty income guidelines" means the poverty  
19 guidelines updated periodically in the Federal Register by the  
20 United States Department of Health and Human Services under  
21 authority of 42 U.S.C. 9902(2).

22 "Health care services" means any medically necessary  
23 inpatient or outpatient hospital service, including

1 pharmaceuticals or supplies provided by a hospital to a  
2 patient.

3 "Hospital" means any facility or institution required to be  
4 licensed pursuant to the Hospital Licensing Act or operated  
5 under the University of Illinois Hospital Act.

6 "Illinois resident" means a person who lives in Illinois  
7 and who intends to remain living in Illinois indefinitely.  
8 Relocation to Illinois for the sole purpose of receiving health  
9 care benefits does not satisfy the residency requirement under  
10 this Act.

11 "Medically necessary" means any inpatient or outpatient  
12 hospital service, including pharmaceuticals or supplies  
13 provided by a hospital to a patient, covered under Title XVIII  
14 of the federal Social Security Act for beneficiaries with the  
15 same clinical presentation as the uninsured patient. A  
16 "medically necessary" service does not include any of the  
17 following:

18 (1) Non-medical services such as social and vocational  
19 services.

20 (2) Elective cosmetic surgery, but not plastic surgery  
21 designed to correct disfigurement caused by injury,  
22 illness, or congenital defect or deformity.

23 "Rural hospital" means a hospital that is located outside a  
24 metropolitan statistical area.

25 "Uninsured discount" means a hospital's charges multiplied  
26 by the uninsured discount factor.

1 "Uninsured discount factor" means 1.0 less the product of a  
2 hospital's cost to charge ratio multiplied by 1.35.

3 "Uninsured patient" means an Illinois resident who is a  
4 patient of a hospital and is not covered under a policy of  
5 health insurance and is not a beneficiary under a public or  
6 private health insurance, health benefit, or other health  
7 coverage program, including high deductible health insurance  
8 plans, workers' compensation, accident liability insurance, or  
9 other third party liability and is not eligible for  
10 compensation for health care services under any other  
11 government program, including, but not limited to, the Crime  
12 Victims Compensation Act. The changes made to this Section by  
13 this amendatory Act of the 97th General Assembly are intended  
14 to be declarative of existing law.

15 (Source: P.A. 95-965, eff. 12-22-08.)

16 (210 ILCS 89/10)

17 Sec. 10. Uninsured patient discounts.

18 (a) Eligibility.

19 (1) A hospital, other than a rural hospital or Critical  
20 Access Hospital, shall provide a discount from its charges  
21 to any uninsured patient who applies for a discount and has  
22 family income of not more than 600% of the federal poverty  
23 income guidelines for all medically necessary health care  
24 services exceeding \$300 in any one inpatient admission or  
25 outpatient encounter.

1           (2) A rural hospital or Critical Access Hospital shall  
2 provide a discount from its charges to any uninsured  
3 patient who applies for a discount and has annual family  
4 income of not more than 300% of the federal poverty income  
5 guidelines for all medically necessary health care  
6 services exceeding \$300 in any one inpatient admission or  
7 outpatient encounter.

8           (b) Discount. For all health care services exceeding \$300  
9 in any one inpatient admission or outpatient encounter, a  
10 hospital shall not collect from an uninsured patient, deemed  
11 eligible under subsection (a), more than its charges less the  
12 amount of the uninsured discount. This discount shall apply to  
13 a patient who would otherwise be considered to be uninsured and  
14 eligible for a discount under this Act, except for the patient  
15 being eligible for compensation for health care services under  
16 the Crime Victims Compensation Act.

17           (c) Maximum Collectible Amount.

18           (1) The maximum amount that may be collected in a 12  
19 month period for health care services provided by the  
20 hospital from a patient determined by that hospital to be  
21 eligible under subsection (a) is 25% of the patient's  
22 family income, and is subject to the patient's continued  
23 eligibility under this Act. The maximum collectible amount  
24 shall not apply to a patient who would otherwise be  
25 considered to be uninsured and eligible for a discount  
26 under this Act, except for the patient being eligible for

1       compensation for health care services under the Crime  
2       Victims Compensation Act. A hospital that accepts payment  
3       for health care services under the Crime Victims  
4       Compensation Act on behalf of an otherwise uninsured crime  
5       victim shall be required to waive the remaining patient  
6       balance for that service and may not pursue the patient for  
7       any additional payment for the service. The changes made to  
8       this Section by this amendatory Act of the 97th General  
9       Assembly are intended to be declarative of existing law.

10       (2) The 12 month period to which the maximum amount  
11       applies shall begin on the first date, after the effective  
12       date of this Act, an uninsured patient receives health care  
13       services that are determined to be eligible for the  
14       uninsured discount at that hospital.

15       (3) To be eligible to have this maximum amount applied  
16       to subsequent charges, the uninsured patient shall inform  
17       the hospital in subsequent inpatient admissions or  
18       outpatient encounters that the patient has previously  
19       received health care services from that hospital and was  
20       determined to be entitled to the uninsured discount.

21       (4) Hospitals may adopt policies to exclude an  
22       uninsured patient from the application of subdivision  
23       (c)(1) when the patient owns assets having a value in  
24       excess of 600% of the federal poverty level for hospitals  
25       in a metropolitan statistical area or owns assets having a  
26       value in excess of 300% of the federal poverty level for

1 Critical Access Hospitals or hospitals outside a  
2 metropolitan statistical area, not counting the following  
3 assets: the uninsured patient's primary residence;  
4 personal property exempt from judgment under Section  
5 12-1001 of the Code of Civil Procedure; or any amounts held  
6 in a pension or retirement plan, provided, however, that  
7 distributions and payments from pension or retirement  
8 plans may be included as income for the purposes of this  
9 Act.

10 (d) Each hospital bill, invoice, or other summary of  
11 charges to an uninsured patient shall include with it, or on  
12 it, a prominent statement that an uninsured patient who meets  
13 certain income requirements may qualify for an uninsured  
14 discount and information regarding how an uninsured patient may  
15 apply for consideration under the hospital's financial  
16 assistance policy.

17 (Source: P.A. 95-965, eff. 12-22-08.)

18 (210 ILCS 89/15)

19 Sec. 15. Patient responsibility.

20 (a) Hospitals may make the availability of a discount and  
21 the maximum collectible amount under this Act contingent upon  
22 the uninsured patient first applying for coverage under public  
23 programs, such as Medicare, Medicaid, AllKids, the State  
24 Children's Health Insurance Program, or any other program,  
25 including, but not limited to, the Crime Victims Compensation

1 Act, if there is a reasonable basis to believe that the  
2 uninsured patient may be eligible for such program. The changes  
3 made to this Section by this amendatory Act of the 97th General  
4 Assembly are intended to be declarative of existing law.

5 (b) Hospitals shall permit an uninsured patient to apply  
6 for a discount within 60 days of the date of discharge or date  
7 of service.

8 (1) Income verification. Hospitals may require an  
9 uninsured patient who is requesting an uninsured discount  
10 to provide documentation of family income. Acceptable  
11 family income documentation shall include any one of the  
12 following:

13 (A) a copy of the most recent tax return;

14 (B) a copy of the most recent W-2 form and 1099  
15 forms;

16 (C) copies of the 2 most recent pay stubs;

17 (D) written income verification from an employer  
18 if paid in cash; or

19 (E) one other reasonable form of third party income  
20 verification deemed acceptable to the hospital.

21 (2) Asset verification. Hospitals may require an  
22 uninsured patient who is requesting an uninsured discount  
23 to certify the existence of assets owned by the patient and  
24 to provide documentation of the value of such assets.  
25 Acceptable documentation may include statements from  
26 financial institutions or some other third party



1 verification of an asset's value. If no third party  
2 verification exists, then the patient shall certify as to  
3 the estimated value of the asset.

4 (3) Illinois resident verification. Hospitals may  
5 require an uninsured patient who is requesting an uninsured  
6 discount to verify Illinois residency. Acceptable  
7 verification of Illinois residency shall include any one of  
8 the following:

9 (A) any of the documents listed in paragraph (1);

10 (B) a valid state-issued identification card;

11 (C) a recent residential utility bill;

12 (D) a lease agreement;

13 (E) a vehicle registration card;

14 (F) a voter registration card;

15 (G) mail addressed to the uninsured patient at an  
16 Illinois address from a government or other credible  
17 source;

18 (H) a statement from a family member of the  
19 uninsured patient who resides at the same address and  
20 presents verification of residency; or

21 (I) a letter from a homeless shelter, transitional  
22 house or other similar facility verifying that the  
23 uninsured patient resides at the facility.

24 (c) Hospital obligations toward an individual uninsured  
25 patient under this Act shall cease if that patient unreasonably  
26 fails or refuses to provide the hospital with information or

1 documentation requested under subsection (b) or to apply for  
2 coverage under public programs when requested under subsection  
3 (a) within 30 days of the hospital's request.

4 (d) In order for a hospital to determine the 12 month  
5 maximum amount that can be collected from a patient deemed  
6 eligible under Section 10, an uninsured patient shall inform  
7 the hospital in subsequent inpatient admissions or outpatient  
8 encounters that the patient has previously received health care  
9 services from that hospital and was determined to be entitled  
10 to the uninsured discount.

11 (e) Hospitals may require patients to certify that all of  
12 the information provided in the application is true. The  
13 application may state that if any of the information is untrue,  
14 any discount granted to the patient is forfeited and the  
15 patient is responsible for payment of the hospital's full  
16 charges.

17 (Source: P.A. 95-965, eff. 12-22-08.)

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.