H.287

An act relating to patient financial assistance policies and medical debt protection

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 18 V.S.A. chapter 221, subchapter 10 is added to read:

Subchapter 10. Patient Financial Assistance

§ 9481. DEFINITIONS

As used in this subchapter:

(1) "Amount generally billed" means the amount a large health care facility generally bills to individuals for emergency or other medically necessary health care services, determined using the "look-back method" set forth in 26 C.F.R. § 1.501(r)-5(b)(3).

(2) "Credit reporting agency" means a person who, for fees, dues, or on a cooperative basis, regularly engages in whole or in part in the practice of assembling or evaluating information concerning a consumer's credit or other information for the purpose of furnishing a credit report to another person.

(3) "Health care provider" means a person, partnership, corporation, facility, or institution licensed, certified, or otherwise authorized by law to provide professional health care services in this State to an individual during that individual's medical care, treatment, or confinement.

(4) "Health care services" means services for the diagnosis, prevention, treatment, cure, or relief of a physical, dental, behavioral, or mental health

condition or substance use disorder, including procedures, products, devices, and medications.

(5) "Household income" means income calculated in accordance with the financial methodologies for determining financial eligibility for advance premium tax credits under 26 C.F.R. § 1.36B-2, including the method used to calculate household size, with the following modifications:

(A) domestic partners, and any individual who is considered a dependent of either partner for federal income tax purposes, shall be treated as members of the same household;

(B) married individuals who file federal income tax returns separately but could file jointly, and any individual who is considered a dependent of one or both spouses for federal income tax purposes, shall be treated as members of the same household;

(C) married individuals who are living separately while their divorce is pending shall not be treated as members of the same household, regardless of whether they are filing federal income tax returns jointly or separately; and

(D) household income for individuals who are not required to file a federal income tax return, and for undocumented immigrants who have not filed a federal income tax return, shall be calculated as if they had filed a federal income tax return.

(6) "Large health care facility" means each of the following health care providers:

(A) a hospital licensed pursuant to chapter 43 of this title;

(B) an outpatient clinic or facility affiliated with or operating under the license of a hospital licensed pursuant to chapter 43 of this title; and

(C) an ambulatory surgical center licensed pursuant to chapter 49 of this title.

(7) "Medical creditor" means a large health care facility to whom a consumer owes money for health care services.

(8) "Medical debt" means a debt arising from the receipt of health care services.

(9) "Medical debt collector" means an individual or entity that regularly collects or attempts to collect, directly or indirectly, medical debts originally owed or due, or asserted to be owed or due, to another individual or entity.

(10) "Medically necessary health care services" means health care services, including diagnostic testing, preventive services, and after care, that are appropriate to the patient's diagnosis or condition in terms of type, amount, frequency, level, setting, and duration. Medically necessary care must:

(A) be informed by generally accepted medical or scientific evidence and be consistent with generally accepted practice parameters as recognized by

health care professions in the same specialties as typically provide the procedure or treatment, or diagnose or manage the medical condition;

(B) be informed by the unique needs of each individual patient and each presenting situation; and

(C) meet one or more of the following criteria:

(i) help restore or maintain the patient's health;

(ii) prevent deterioration of or palliate the patient's condition; or

(iii) prevent the reasonably likely onset of a health problem or detect an incipient problem.

(11) "Patient" means the individual who receives or received health care services and shall include a parent if the patient is a minor or a legal guardian if the patient is a minor or adult under guardianship.

(12) "Vermont resident" means an individual, regardless of citizenship and including undocumented immigrants, who resides in Vermont, is employed by a Vermont employer to deliver services for the employer in this State in the normal course of the employee's employment, or attends school in Vermont, or a combination of these. The term includes an individual who is living in Vermont at the time that services are received but who lacks stable permanent housing.

§ 9482. FINANCIAL ASSISTANCE POLICIES FOR LARGE HEALTH CARE FACILITIES

(a) Each large health care facility in this State shall develop a written financial assistance policy that, at a minimum, complies with the provisions of this subchapter and any applicable federal requirements.

(b) The financial assistance policy shall:

(1) apply, at a minimum, to all emergency and other medically necessary health care services that the large health care facility offers;

(2) provide free or discounted care to Vermont residents and to individuals who live in Vermont at the time the services are delivered but who lack stable permanent housing, as follows:

(A) for an uninsured patient with household income at or below 250 percent of the federal poverty level (FPL), a 100 percent discount from the amount generally billed for the services received, resulting in free care;

(B) for an uninsured patient with household income between 250 and 400 percent FPL, a minimum of a 40 percent discount from the amount generally billed for the services received;

(C) for a patient with health insurance or other coverage for the services delivered and with household income at or below 250 percent FPL, a waiver of all out-of-pocket costs that would otherwise be due from the patient;

(D) for a patient with health insurance or other coverage for the services delivered and with household income between 250 and 400 percent FPL, a minimum of a 40 percent discount on the patient's out-of-pocket costs; and

(E) for patients with household income at or below 600 percent FPL, catastrophic assistance in the event that the large health care facility's medical bills for a patient's care exceed 20 percent of the patient's household income, in which case the facility shall reduce the amount due from the patient to 20 percent of the patient's household income; and

(3) include all of the following:

(A) the eligibility criteria for financial assistance;

(B) the basis for calculating amounts charged to patients;

(C) the method and process for applying for financial assistance, including the information and documentation that the facility may require a patient to provide as part of the application;

(D) the reasonable steps that the facility will take to determine whether a patient is eligible for financial assistance;

(E) the facility's billing and collections policy, including the actions the facility may take in the event of nonpayment, such as collections action and reporting to credit reporting agencies;

(F) an appeals process for patients who are denied financial assistance or who believe the amount of financial assistance granted is inconsistent with the policy or the provisions of this subchapter; and

(G) a plain language summary of the policy.

(c) The owners or governing body of the large health care facility shall approve the facility's financial assistance policy and shall review and approve the policy at least once every three years.

(d) A large health care facility may require a patient to be a Vermont resident as a condition of eligibility for financial assistance but shall not impose any requirements regarding the duration of a patient's status as a Vermont resident.

§ 9483. IMPLEMENTATION OF FINANCIAL ASSISTANCE POLICY

(a) In addition to any other actions required by applicable State or federal law, a large health care facility shall take the following steps before seeking payment for any emergency or medically necessary health care services:

(1) determine whether the patient has health insurance or other coverage for the services delivered, including whether the health care services may be covered in whole or in part by an automobile insurance, a worker's compensation, or other type of policy;

(2) if the patient is uninsured, offer to provide the patient with information on how to apply for, and offer to connect the patient with help in

applying for, public programs that may assist with health care costs; provided, however, that an undocumented immigrant's refusal to apply for public programs shall not be grounds for denying financial assistance under the facility's financial assistance policy;

(3) offer to provide the patient with information on how to apply for, and offer to connect the patient with help in applying for, health insurance and private programs that may assist with health care costs; provided, however, that a patient's refusal to apply for private health insurance shall not be grounds for denying financial assistance under the facility's financial assistance policy;

(4) if available, use information in the facility's possession to determine the patient's eligibility for free or discounted care based on the criteria set forth in subdivision 9482(b)(2) of this subchapter; and

(5) offer to the patient, at no charge, a financial assistance policy application and assistance in completing the application.

(b) A large health care facility shall determine a patient's eligibility for financial assistance as follows:

(1)(A) The facility shall determine a patient's household income using the patient's most recent federal or state income tax return.

(B)(i) The facility shall give each patient the option to submit pay stubs, documentation of public assistance, or other documentation of

household income that the Department of Vermont Health Access identifies as valid documentation for purposes of this subchapter in lieu of or in addition to an income tax return.

(ii) A patient who is an undocumented immigrant shall also be given the option to submit other documentation of household income, such as a profit and loss statement, in lieu of an income tax return.

(C) The facility shall not require any additional information to verify income beyond the sources of information set forth in subdivisions (A) and (B) of this subdivision (1).

(2) The facility may grant financial assistance to a patient notwithstanding the patient's failure to provide one of the required forms of household income documentation and may rely on, but not require, other evidence of eligibility.

(3) The facility may grant financial assistance based on a determination of presumptive eligibility relying on information in the facility's possession but shall not presumptively deny an application based on that information.

(4)(A) The facility may, but is not required to, include an asset test in its financial assistance eligibility criteria. If the facility chooses to include an asset test in its financial assistance eligibility criteria, the asset test shall only apply to liquid assets. For purposes of determining financial assistance

eligibility, liquid assets shall not include the household's primary residence, any 401(k) or individual retirement accounts, or any pension plans.

(B) Any limit on liquid assets for purposes of financial assistance eligibility shall be set at a dollar amount not less than 400 percent of the federal poverty level for the relevant household size for the year in which the health care services were delivered.

(c)(1) Within 30 calendar days following receipt of an application for financial assistance, the large health care facility shall notify the patient in writing as to whether the application is approved or disapproved or, if the application is incomplete, what information is needed to complete the application.

(2) If the facility approves the application for financial assistance, the facility shall provide the patient with a calculation of the financial assistance granted and a revised bill.

(3) If the facility denies the application for financial assistance, the facility shall allow the patient to submit an appeal within 60 days following receipt of the facility's decision. The facility shall notify the patient of its approval or denial of the patient's appeal within 60 days following receipt of the appeal.

(d)(1) A large health care facility or medical debt collector shall, at a minimum, offer to any patient who qualifies for financial assistance a payment

plan and shall not require the patient to make monthly payments that exceed five percent of the patient's gross monthly household income.

(2) A large health care facility or medical debt collector shall not impose any prepayment or early payment penalty or fee on any patient and shall not charge interest on any medical debt owed by a patient who qualifies for the facility's financial assistance program.

(e) A large health care facility shall not discriminate on the basis of race, color, sex, sexual orientation, gender identity, marital status, religion, ancestry, national origin, citizenship, immigration status, primary language, disability, medical condition, or genetic information in its provision of financial assistance or in the implementation of its financial assistance policy.

§ 9484. PUBLIC EDUCATION AND INFORMATION

(a) Each large health care facility shall publicize its financial assistance policy widely by:

(1) making the financial assistance policy and application form easily accessible online through the facility's website and through any patient portal or other online communication portal used by the facility's patients;

(2) providing paper copies of the financial assistance policy and application form upon request at no charge, both by mail and at the facility's office; for hospitals, copies shall also be available in the hospital's patient

reception and admissions areas and in the locations in which patient billing and financial assistance services are provided;

(3) providing oral and written translations of the financial assistance policy upon request;

(4) notifying and informing members of the community served by the facility about the financial assistance policy in a manner reasonably calculated to reach the members of the community who are most likely to need financial assistance, including members who are non-native English speakers, provided that these efforts shall be commensurate with the facility's size and income; and

(5) conspicuously displaying notices of and information regarding the financial assistance policy in the facility's offices; for hospitals, the notices and information shall be posted in the hospital's patient reception and admissions areas and in the locations in which patient billing and financial assistance services are provided.

(b) Each large health care facility shall directly notify individuals who receive care from the facility about the facility's financial assistance policy by, at a minimum:

(1) offering a paper copy of the financial assistance policy to each patient as part of the patient's first visit or, in the case of a hospital, during the intake and discharge processes; and

(2) including a conspicuous written notice on billing statements, whether sent by the facility or by a medical debt collector, stating that financial assistance is available to some patients based on income and including:

(A) a telephone number that the patient can call to request a financial assistance application and to receive information about the financial assistance policy and the application process; and

(B) the specific website address at which copies of the policy and application are available.

(c) All written or oral attempts by a medical creditor or medical debt collector to collect a medical debt arising from health care services delivered by a large health care facility shall include information for the patient about the relevant financial assistance policy or policies.

§ 9485. PROHIBITION ON SALE OF MEDICAL DEBT

No large health care facility shall sell its medical debt.

§ 9486. PROHIBITION OF WAIVER OF RIGHTS

Any waiver by a patient or other individual of any protection provided by or any right of the patient or other individual under this subchapter is void and shall not be enforced by any court or any other person.

§ 9487. ENFORCEMENT

The Office of the Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring

civil actions for violations of this subchapter as is provided under 9 V.S.A. chapter 63, subchapter 1.

Sec. 2. HOSPITAL FINANCIAL ASSISTANCE POLICIES; PLAIN LANGUAGE SUMMARY; 2025 HOSPITAL BUDGET REVIEW

Each hospital licensed under 18 V.S.A. chapter 43 shall submit a plain language summary of its financial assistance policy to the Green Mountain Care Board during the hospital fiscal year 2025 budget review process.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2022, with large health care facilities coming into compliance with the provisions of Sec. 1 (18 V.S.A. 221, subchapter 10) not later than July 1, 2024.