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AB-532 Health care: fair billing policies. (2021-2022)

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Assembly Bill No. 532

CHAPTER 465

An act to amend Sections 1339.585 and 127410 of the Health and Safety Code, relating to health care billing.

[Approved by Governor October 04, 2021. Filed with Secretary of State October 04, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 532, Wood. Health care: fair billing policies.

Existing law requires a hospital, as defined, to maintain an understandable written policy regarding discount payments for financially qualified patients as well as a written charity care policy, and requires a hospital to negotiate the terms of a discount payment plan with an eligible patient, as specified. Existing law requires each hospital to provide patients with written notice about the availability of the hospital's discount payment and charity care policies, including information about eligibility and contact information for a hospital employee or office from which the patient may obtain further information about the policies.

This bill would additionally require the written patient notice to include the internet address of a specified health consumer assistance entity and information regarding Covered California and Medi-Cal presumptive eligibility. The bill also would require the written patient notice to include the internet address for the hospital's list of shoppable services, pursuant to a specified federal regulation. The bill would require the notice to be provided at the time of service if the patient is conscious and able to receive written notice at that time, or at other designated times, as appropriate.

Existing law requires a hospital to post notice of its policy for financially qualified and self-pay patients in designated locations that are visible to the public, including outpatient settings.

This bill would specify that "outpatient settings" includes observation units for this purpose.

Existing law generally requires a hospital, upon the request of a person without health coverage, to provide a written estimate of the amount the hospital will require a person without health coverage to pay for the health care services, procedures, and supplies that are reasonably expected to be provided to the person, as specified. Existing law also requires the hospital to provide the person with an application form for financial assistance or charity care, if the person requests the form.

This bill would require the hospital to automatically provide the person with an estimate and an application form for financial assistance or charity care, without need for a specific request.

This bill would incorporate additional changes to Section 127410 of the Health and Safety Code proposed by AB 1020 to be operative only if this bill and AB 1020 are enacted and this bill is enacted last.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1339.585 of the Health and Safety Code is amended to read:

1339.585. For a person without health coverage, a hospital shall provide the person with a written estimate of the amount the hospital will require the person to pay for the health care services, procedures, and supplies that are reasonably expected to be provided to the person by the hospital, based upon an average length of stay and services provided for the person's diagnosis. The hospital may provide this estimate during normal business office hours. In addition to the estimate, the hospital shall provide information about its financial assistance and charity care policies and contact information for a hospital employee or office from which the person may obtain further information about these policies. The hospital shall also provide the person with an application form for financial assistance or charity care. This section shall not apply to emergency services provided to a person pursuant to Section 1317.

SEC. 2. Section 127410 of the Health and Safety Code is amended to read:

127410. (a) Each hospital shall provide patients with a written notice that shall contain information about availability of the hospital's discount payment and charity care policies, including information about eligibility, as well as contact information for a hospital employee or office from which the person may obtain further information about these policies. The notice shall also include the internet address for the Health Consumer Alliance (<https://healthconsumer.org>), and shall explain that there are organizations that will help the patient understand the billing and payment process, as well as information regarding Covered California and Medi-Cal presumptive eligibility, if the hospital participates in the presumptive eligibility program. The notice shall also include the internet address for the hospital's list of shoppable services, pursuant to Section 180.60 of Title 45 of the Code of Federal Regulations. This written notice shall be provided in addition to any estimate provided pursuant to Section 1339.585. The notice shall also be provided to patients who receive emergency or outpatient care and who may be billed for that care, but who were not admitted. The notice shall be provided in English, and in languages other than English. The languages to be provided shall be determined in a manner similar to that required pursuant to Section 12693.30 of the Insurance Code. Written correspondence to the patient required by this article shall also be in the language spoken by the patient, consistent with Section 12693.30 of the Insurance Code and applicable state and federal law.

(b) The written notice shall be provided at the time of service if the patient is conscious and able to receive written notice at that time. If the patient is not able to receive notice at the time of service, the notice shall be provided during the discharge process. If the patient is not admitted, the written notice shall be provided when the patient leaves the facility. If the patient leaves the facility without receiving the written notice, the hospital shall mail the notice to the patient within 72 hours of providing services.

(c) Notice of the hospital's policy for financially qualified and self-pay patients shall be clearly and conspicuously posted in locations that are visible to the public, including, but not limited to, all of the following:

- (1) Emergency department, if any.
- (2) Billing office.
- (3) Admissions office.
- (4) Other outpatient settings, including observation units.

SEC. 2.5. Section 127410 of the Health and Safety Code is amended to read:

127410. (a) Each hospital shall provide patients with a written notice that shall contain information about availability of the hospital's discount payment and charity care policies, including information about eligibility, as well as contact information for a hospital employee or office from which the person may obtain further information about these policies. The notice shall also include the internet address for the Health Consumer Alliance (<https://healthconsumer.org>), and shall explain that there are organizations that will help the patient understand the billing and payment process, as well as information regarding Covered California and Medi-Cal presumptive eligibility, if the hospital participates in the presumptive eligibility program. The notice shall also include the internet address for the hospital's list of shoppable services, pursuant to Section 180.60 of Title 45 of the Code of Federal Regulations. This written notice shall be provided in addition to any estimate provided pursuant to Section 1339.585. The notice shall also be provided to patients who receive emergency or outpatient care and who may be billed for that care, but who were not admitted. The notice shall be provided in English, and in languages other than English. The languages to be provided shall be determined in a manner similar to that required pursuant to Section 12693.30 of the Insurance Code. Written correspondence to the patient required by this article shall also be in the language spoken by the patient, consistent with Section 12693.30 of the Insurance Code and applicable state and federal law.

(b) The written notice shall be provided at the time of service if the patient is conscious and able to receive written notice at that time. If the patient is not able to receive notice at the time of service, the notice shall be provided during the discharge process. If the patient is not admitted, the written notice shall be provided when the patient leaves the facility. If the patient leaves the facility without receiving the written notice, the hospital shall mail the notice to the patient within 72 hours of providing services.

(c) Notice of the hospital's policy for financially qualified and self-pay patients shall be clearly and conspicuously posted in locations that are visible to the public, including, but not limited to, all of the following:

(1) Emergency department, if any.

(2) Billing office.

(3) Admissions office.

(4) Other outpatient settings, including observation units.

(5) Prominently displayed on the hospital's internet website, with a link to the policy itself.

SEC. 3. Section 2.5 of this bill incorporates amendments to Section 127410 of the Health and Safety Code proposed by both this bill and Assembly Bill 1020. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, (2) each bill amends Section 127410 of the Health and Safety Code, and (3) this bill is enacted after Assembly Bill 1020, in which case Section 2 of this bill shall not become operative.