

# STATE OF NEW YORK

8441

2021-2022 Regular Sessions

## IN ASSEMBLY

November 17, 2021

Introduced by M. of A. GOTTFRIED -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to the general hospital indigent care pool; and to repeal certain provisions of such law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 9 of section 2807-k of the public health law,  
2 as amended by section 17 of part B of chapter 60 of the laws of 2014, is  
3 amended to read as follows:

4 9. In order for a general hospital to participate in the distribution  
5 of funds from the pool, the general hospital must [~~implement minimum~~  
6 ~~collection policies and procedures approved~~] use only the uniform finan-  
7 cial assistance policy and form provided by the commissioner.

8 § 2. Subdivision 9-a of section 2807-k of the public health law, as  
9 added by section 39-a of part A of chapter 57 of the laws of 2006, para-  
10 graph (k) as added by section 43 of part B of chapter 58 of the laws of  
11 2008, is amended to read as follows:

12 9-a. (a) (i) As a condition for participation in pool distributions  
13 authorized pursuant to this section and section twenty-eight hundred  
14 seven-w of this article for periods on and after January first, two  
15 thousand nine, general hospitals shall, effective for periods on and  
16 after January first, two thousand seven, establish financial [~~aid~~]  
17 assistance policies and procedures, in accordance with the provisions of  
18 this subdivision, for reducing hospital charges otherwise applicable to  
19 low-income individuals without third-party health [~~insurance~~] coverage,  
20 or who have [~~exhausted their~~] third-party health [~~insurance benefits~~]  
21 coverage that does not cover or limits coverage of the service, and who  
22 can demonstrate an inability to pay full charges, and also, at the  
23 hospital's discretion, for reducing or discounting the collection of  
24 co-pays and deductible payments from those individuals who can demon-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 strate an inability to pay such amounts. Immigration status shall not be  
2 an eligibility criterion for the purpose of determining financial  
3 assistance under this section.

4 (ii) A general hospital may use the New York state of health market-  
5 place eligibility determination page to establish the patient's house-  
6 hold income and residency in lieu of the financial application form,  
7 provided it has secured the consent of the patient. A general hospital  
8 shall not require a patient to apply for coverage through the New York  
9 state of health marketplace in order to receive care or financial  
10 assistance.

11 (iii) Upon submission of a completed application form, the patient is  
12 not liable for any bills until the general hospital has rendered a deci-  
13 sion on the application in accordance with this subdivision.

14 (b) [~~Such~~] The reductions from charges for [~~uninsured~~] patients  
15 described in paragraph (a) of this subdivision with incomes below [~~at~~  
16 ~~least three~~] six hundred percent of the federal poverty level shall  
17 result in a charge to such individuals that does not exceed [~~the greater~~  
18 ~~of~~] the amount that would have been paid for the same services [~~by the~~  
19 ~~"highest volume payor" for such general hospital as defined in subpara-~~  
20 ~~graph (v) of this paragraph, or for services provided pursuant to title~~  
21 ~~XVIII of the federal social security act (medicare), or for services~~]  
22 provided pursuant to title [~~XIX~~] XVIII of the federal social security  
23 act [~~(medicaid)~~] (medicare), and provided further that such [~~amounts~~]  
24 amount shall be adjusted according to income level as follows:

25 (i) For patients with incomes at or below [~~at least one~~] two hundred  
26 percent of the federal poverty level, the hospital shall collect no more  
27 than a nominal payment amount, consistent with guidelines established by  
28 the commissioner[~~†~~].

29 (ii) For patients with incomes [~~between at least one~~] above two  
30 hundred [~~one~~] percent and [~~one~~] up to four hundred [~~fifty~~] percent of  
31 the federal poverty level, the hospital shall collect no more than the  
32 amount identified after application of a proportional sliding fee sched-  
33 ule under which patients with lower incomes shall pay the lowest amount.  
34 [~~Such~~] The schedule shall provide that the amount the hospital may  
35 collect for [~~such patients~~] the patient increases from the nominal  
36 amount described in subparagraph (i) of this paragraph in equal incre-  
37 ments as the income of the patient increases, up to a maximum of twenty  
38 percent of the [~~greater of the~~] amount that would have been paid for the  
39 same services [~~by the "highest volume payor" for such general hospital,~~  
40 ~~as defined in subparagraph (v) of this paragraph, or for services~~  
41 ~~provided pursuant to title XVIII of the federal social security act~~  
42 ~~(medicare) or for services~~] provided pursuant to title [~~XIX~~] XVIII of  
43 the federal social security act [~~(medicaid)~~†] (medicare).

44 (iii) [~~For patients with incomes between at least one hundred fifty-~~  
45 ~~one percent and two hundred fifty percent of the federal poverty level,~~  
46 ~~the hospital shall collect no more than the amount identified after~~  
47 ~~application of a proportional sliding fee schedule under which patients~~  
48 ~~with lower income shall pay the lowest amounts. Such schedule shall~~  
49 ~~provide that the amount the hospital may collect for such patients~~  
50 ~~increases from the twenty percent figure described in subparagraph (ii)~~  
51 ~~of this paragraph in equal increments as the income of the patient~~  
52 ~~increases, up to a maximum of the greater of the amount that would have~~  
53 ~~been paid for the same services by the "highest volume payor" for such~~  
54 ~~general hospital, as defined in subparagraph (v) of this paragraph, or~~  
55 ~~for services provided pursuant to title XVIII of the federal social~~

1 ~~security act (medicare) or for services provided pursuant to title XIX~~  
2 ~~of the federal social security act (medicaid), and~~

3 ~~(iv)] For patients with incomes [between at least two hundred fifty-~~  
4 ~~one percent and three hundred] above four hundred percent and up to six~~  
5 ~~hundred~~ percent of the federal poverty level, the hospital shall collect  
6 no more than the [~~greater of the~~] amount that would have been paid for  
7 the same services [~~by the "highest volume payor" for such general hospi-~~  
8 ~~tal as defined in subparagraph (v) of this paragraph, or for services~~  
9 ~~provided pursuant to title XVIII of the federal social security act~~  
10 ~~(medicare), or for services] provided pursuant to title [XIX] XVIII of~~  
11 the federal social security act [~~(medicaid)] (medicare).~~

12 [~~(v) For the purposes of this paragraph, "highest volume payor" shall~~  
13 ~~mean the insurer, corporation or organization licensed, organized or~~  
14 ~~certified pursuant to article thirty-two, forty-two or forty-three of~~  
15 ~~the insurance law or article forty-four of this chapter, or other third-~~  
16 ~~party payor, which has a contract or agreement to pay claims for~~  
17 ~~services provided by the general hospital and incurred the highest~~  
18 ~~volume of claims in the previous calendar year.~~

19 ~~(vi) A hospital may implement policies and procedures to permit, but~~  
20 ~~not require, consideration on a case-by-case basis of exceptions to the~~  
21 ~~requirements described in subparagraphs (i) and (ii) of this paragraph~~  
22 ~~based upon the existence of significant assets owned by the patient that~~  
23 ~~should be taken into account in determining the appropriate payment~~  
24 ~~amount for that patient's care, provided, however, that such proposed~~  
25 ~~policies and procedures shall be subject to the prior review and~~  
26 ~~approval of the commissioner and, if approved, shall be included in the~~  
27 ~~hospital's financial assistance policy established pursuant to this~~  
28 ~~section, and provided further that, if such approval is granted, the~~  
29 ~~maximum amount that may be collected shall not exceed the greater of the~~  
30 ~~amount that would have been paid for the same services by the "highest~~  
31 ~~volume payor" for such general hospital as defined in subparagraph (v)~~  
32 ~~of this paragraph, or for services provided pursuant to title XVIII of~~  
33 ~~the federal social security act (medicare), or for services provided~~  
34 ~~pursuant to title XIX of the federal social security act (medicaid). In~~  
35 ~~the event that a general hospital reviews a patient's assets in deter-~~  
36 ~~mining payment adjustments such policies and procedures shall not~~  
37 ~~consider as assets a patient's primary residence, assets held in a tax-~~  
38 ~~deferred or comparable retirement savings account, college savings~~  
39 ~~accounts, or cars used regularly by a patient or immediate family~~  
40 ~~members.~~

41 ~~(vii)] (c) Nothing in this [paragraph] subdivision shall be construed~~  
42 ~~to limit a hospital's ability to establish patient eligibility for~~  
43 ~~payment discounts at income levels higher than those specified herein~~  
44 ~~and/or to provide greater payment discounts for eligible patients than~~  
45 ~~those required by this [paragraph] subdivision.~~

46 [~~(e)] (d) Such policies and procedures shall be clear, understandable,~~  
47 ~~in writing and publicly available in summary form and each general~~  
48 ~~hospital participating in the pool shall ensure that every patient is~~  
49 ~~made aware of the existence of [such] the policies and procedures and is~~  
50 ~~provided, in a timely manner, with a summary and a copy of [such poli-~~  
51 ~~cies and procedures] the policy and form upon request. Any summary~~  
52 ~~provided to patients shall, at a minimum, include specific information~~  
53 ~~as to income levels used to determine eligibility for assistance, a~~  
54 ~~description of the primary service area of the hospital and the means of~~  
55 ~~applying for assistance. [~~For general hospitals with twenty-four hour~~~~  
56 ~~emergency departments, such policies and procedures] A general hospital~~

1 shall ~~[require the notification of patients]~~ notify patients by provid-  
2 ing written materials to patients or their authorized representatives  
3 during the intake and registration process, through the conspicuous  
4 posting of language-appropriate information in the general hospital, and  
5 by including information on bills and statements sent to patients, that  
6 financial ~~[aid]~~ assistance may be available to qualified patients and  
7 how to obtain further information. ~~[For specialty hospitals without~~  
8 ~~twenty-four hour emergency departments, such notification shall take~~  
9 ~~place through written materials provided to patients during the intake~~  
10 ~~and registration process prior to the provision of any health care~~  
11 ~~services or procedures, and through information on bills and statements~~  
12 ~~sent to patients, that financial aid may be available to qualified~~  
13 ~~patients and how to obtain further information. Application materials~~  
14 ~~shall include a notice to patients that upon submission of a completed~~  
15 ~~application, including any information or documentation needed to deter-~~  
16 ~~mine the patient's eligibility pursuant to the hospital's financial~~  
17 ~~assistance policy, the patient may disregard any bills until the hospi-~~  
18 ~~tal has rendered a decision on the application in accordance with this~~  
19 ~~paragraph]~~ General hospitals shall post the financial assistance appli-  
20 cation policy, procedures and form, and a summary of the policy and  
21 procedures, in a conspicuous location and downloadable form on the  
22 general hospital's website.

23 ~~[(d) Such]~~ (e) The hospital's application materials shall include a  
24 notice to patients that upon submission of a completed application form,  
25 the patient shall not be liable for any bills until the general hospital  
26 has rendered a decision on the application in accordance with this  
27 subdivision. The application materials shall include specific informa-  
28 tion as the income levels used to determine eligibility for financial  
29 assistance, a description of the primary service area of the hospital  
30 and the means to apply for assistance. Nothing in this subdivision shall  
31 be construed as precluding the use of presumptive eligibility determi-  
32 nations by hospitals on behalf of patients. The policies and procedures  
33 shall include clear, objective criteria for determining a patient's  
34 ability to pay and for providing such adjustments to payment require-  
35 ments as are necessary. In addition to adjustment mechanisms such as  
36 sliding fee schedules and discounts to fixed standards, such policies  
37 and procedures shall also provide for the use of installment plans for  
38 the payment of outstanding balances by patients pursuant to the  
39 provisions of the hospital's financial assistance policy. The monthly  
40 payment under such a plan shall not exceed [ten] five percent of the  
41 gross monthly income of the patient~~[, provided, however, that if patient~~  
42 ~~assets are considered under such a policy, then patient assets which are~~  
43 ~~not excluded assets pursuant to subparagraph (vi) of paragraph (b) of~~  
44 ~~this subdivision may be considered in addition to the limit on monthly~~  
45 ~~payments]~~. Installment plan payments may not be required to begin before  
46 one hundred eighty days after the date of the service or discharge,  
47 whichever is later. The policy shall allow the patient and the hospital  
48 to mutually agree to modify the terms of an installment plan. The rate  
49 of interest charged to the patient on the unpaid balance, if any, shall  
50 not exceed [the rate for a ninety-day security issued by the United  
51 ~~States Department of Treasury, plus .5 percent]~~ two percentum per annum  
52 and no plan shall include an accelerator or similar clause under which a  
53 higher rate of interest is triggered upon a missed payment. [If such]  
54 The policies and procedures shall not include a requirement of a deposit  
55 prior to [non-emergent,] medically-necessary care~~[, such deposit must be~~  
56 ~~included as part of any financial aid consideration]~~. The hospital

1 shall refund any payments made by the patient before the determination  
2 of eligibility for financial assistance that exceeds the patient's  
3 liability after discounts are applied. Such policies and procedures  
4 shall be applied consistently to all eligible patients.

5 ~~[(e) Such policies and procedures shall permit patients to]~~ (f) In any  
6 legal action by or on behalf of a hospital to collect a medical debt,  
7 the complaint shall be accompanied by an affidavit by the hospital's  
8 chief financial officer stating that on information and belief the  
9 patient does not meet the income or residency criteria for financial  
10 assistance. Patients may apply for financial assistance [within at least  
11 ninety days of the date of discharge or date of service and provide at  
12 least twenty days for patients to submit a completed application] at any  
13 time during the collection process, including after the commencement of  
14 a medical debt court action or upon the plaintiff obtaining a default  
15 judgment. A hospital may use credit scoring software for the purposes of  
16 establishing income eligibility and approving financial assistance, but  
17 only if the hospital makes clear to the patient that providing a social  
18 security number is not mandatory and the scoring does not negatively  
19 impact the patient's credit score. However, credit scoring software  
20 shall not be solely relied upon by the hospital in denying a patient's  
21 application for financial assistance. [~~Such~~] The policies and proce-  
22 dures [~~may require that~~] shall allow patients seeking [~~payment adjust-~~  
23 ~~ments~~] financial assistance to provide [~~appropriate~~] the following  
24 financial information and documentation in support of their applica-  
25 tion[, ~~provided, however, that such application process shall not be~~  
26 ~~unduly burdensome or complex~~]: pay checks or pay stubs; unemployment  
27 documentation; social security income; rent receipts; a letter from the  
28 patient's employer attesting to the patient's gross income; or, if none  
29 of the aforementioned information and documentation are available, a  
30 written self-attestation of the patient's income may be used. General  
31 hospitals shall, upon request, assist patients in understanding the  
32 hospital's application and form, policies and procedures and in applying  
33 for payment adjustments. Application forms shall be printed and posted  
34 to its website in the "primary languages" of patients served by the  
35 general hospital. For the purposes of this paragraph, "primary  
36 languages" shall include any language that is either (i) used to commu-  
37 nicate, during at least five percent of patient visits in a year, by  
38 patients who cannot speak, read, write or understand the English  
39 language at the level of proficiency necessary for effective communi-  
40 cation with health care providers, or (ii) spoken by non-English speak-  
41 ing individuals comprising more than one percent of the primary hospital  
42 service area population, as calculated using demographic information  
43 available from the United States Bureau of the Census, supplemented by  
44 data from school systems. Decisions regarding such applications shall be  
45 made within thirty days of receipt of a completed application. [~~Such~~]  
46 The policies and procedures shall require that the hospital issue any  
47 [~~denial/approval~~] denial or approval of [~~such~~] the application in writ-  
48 ing with information on how to appeal the denial and shall require the  
49 hospital to establish an appeals process under which it will evaluate  
50 the denial of an application. [~~Nothing in this subdivision shall be~~  
51 ~~interpreted as prohibiting a hospital from making the availability of~~  
52 ~~financial assistance contingent upon the patient first applying for~~  
53 ~~coverage under title XIX of the social security act (medicaid) or another~~  
54 ~~insurance program if, in the judgment of the hospital, the patient~~  
55 ~~may be eligible for medicaid or another insurance program, and upon the~~  
56 ~~patient's cooperation in following the hospital's financial assistance~~

~~application requirements, including the provision of information needed to make a determination on the patient's application in accordance with the hospital's financial assistance policy~~ The hospital shall inform patients on how to file a complaint against the hospital or a debt collector that is contracted on behalf of the hospital regarding the patient's bill.

~~(f) Such~~ (g) The policies and procedures shall provide that patients with incomes below ~~three~~ six hundred percent of the federal poverty level are deemed ~~presumptively~~ eligible for payment adjustments and shall conform to the requirements set forth in paragraph (b) of this subdivision, provided, however, that nothing in this subdivision shall be interpreted as precluding hospitals from extending such payment adjustments to other patients, either generally or on a case-by-case basis. ~~Such~~ The policies and procedures shall provide financial ~~aid~~ assistance for emergency hospital services, including emergency transfers pursuant to the federal emergency medical treatment and active labor act (42 USC 1395dd), to patients who reside in New York state and for medically necessary hospital services for patients who reside in the hospital's primary service area as determined according to criteria established by the commissioner. In developing ~~such~~ the criteria, the commissioner shall consult with representatives of the hospital industry, health care consumer advocates and local public health officials. ~~Such~~ The criteria shall be made available to the public no less than thirty days prior to the date of implementation and shall, at a minimum:

(i) prohibit a hospital from developing or altering its primary service area in a manner designed to avoid medically underserved communities or communities with high percentages of uninsured residents;

(ii) ensure that every geographic area of the state is included in at least one general hospital's primary service area so that eligible patients may access care and financial assistance; and

(iii) require the hospital to notify the commissioner upon making any change to its primary service area, and to include a description of its primary service area in the hospital's annual implementation report filed pursuant to subdivision three of section twenty-eight hundred three-1 of this article.

~~(g)~~ (h) Nothing in this subdivision shall be interpreted as precluding hospitals from extending payment adjustments for medically necessary non-emergency hospital services to patients outside of the hospital's primary service area. For patients determined to be eligible for financial ~~aid~~ assistance under the terms of a hospital's financial ~~aid~~ assistance policy, ~~such~~ the policies and procedures shall prohibit any limitations on financial ~~aid~~ assistance for services based on the medical condition of the applicant, other than typical limitations or exclusions based on medical necessity or the clinical or therapeutic benefit of a procedure or treatment.

~~(h) Such policies and procedures shall not permit the forced~~ (i) A hospital or its agent shall not issue, authorize or permit an income execution of a patient's wages, secure a lien or force a sale or foreclosure of a patient's primary residence in order to collect an outstanding medical bill and shall ~~require the hospital to refrain from sending~~ not send an account to collection if the patient has submitted a completed application for financial ~~aid, including any required supporting documentation~~ assistance, while the hospital determines the patient's eligibility for ~~such aid~~ financial assistance. ~~Such~~ The policies and procedures shall provide for written notification, which shall include notification on a patient bill, to a patient not less than

1 thirty days prior to the referral of debts for collection and shall  
2 require that the collection agency obtain the hospital's written consent  
3 prior to commencing a legal action. [~~Such~~] The policies and procedures  
4 shall require all general hospital staff who interact with patients or  
5 have responsibility for billing and collections to be trained in [~~such~~]  
6 the policies and procedures, and require the implementation of a mech-  
7 anism for the general hospital to measure its compliance with [~~such~~] the  
8 policies and procedures. [~~Such~~] The policies and procedures shall  
9 require that any collection agency, lawyer or firm under contract with a  
10 general hospital for the collection of debts follow the hospital's  
11 financial assistance policy, including providing information to patients  
12 on how to apply for financial assistance where appropriate. [~~Such~~] The  
13 policies and procedures shall prohibit collections from a patient who is  
14 determined to be eligible for medical assistance [~~pursuant to title XIX~~  
15 ~~of the federal social security act~~] under title eleven of article five  
16 of the social services law at the time services were rendered and for  
17 which services medicaid payment is available.

18 [~~(i)~~] (j) Reports required to be submitted to the department by each  
19 general hospital as a condition for participation in the pools[~~, and~~  
20 ~~which contain, in accordance with applicable regulations,~~] shall  
21 contain: (i) a certification from an independent certified public  
22 accountant or independent licensed public accountant or an attestation  
23 from a senior official of the hospital that the hospital is in compli-  
24 ance with conditions of participation in the pools[~~, shall also contain,~~  
25 ~~for reporting periods on and after January first, two thousand seven~~];

26 [~~(i)~~] (ii) a report on hospital costs incurred and uncollected amounts  
27 in providing services to [~~eligible~~] patients [~~without insurance~~] found  
28 eligible for financial assistance, including the amount of care provided  
29 for a nominal payment amount, during the period covered by the report;

30 [~~(ii)~~] (iii) hospital costs incurred and uncollected amounts for  
31 deductibles and coinsurance for eligible patients with insurance or  
32 other third-party payor coverage;

33 [~~(iii)~~] (iv) the number of patients, organized according to United  
34 States postal service zip code, race, ethnicity and gender, who applied  
35 for financial assistance [~~pursuant to~~] under the hospital's financial  
36 assistance policy, and the number, organized according to United States  
37 postal service zip code, race, ethnicity and gender, whose applications  
38 were approved and whose applications were denied;

39 [~~(iv)~~] (v) the reimbursement received for indigent care from the pool  
40 established [~~pursuant to~~] under this section;

41 [~~(v)~~] (vi) the amount of funds that have been expended on [~~charity~~  
42 ~~care~~] financial assistance from charitable bequests made or trusts  
43 established for the purpose of providing financial assistance to  
44 patients who are eligible in accordance with the terms of [~~such~~] the  
45 bequests or trusts;

46 [~~(vi)~~] (vii) for hospitals located in social services districts in  
47 which the district allows hospitals to assist patients with such appli-  
48 cations, the number of applications for eligibility for medicaid under  
49 title [~~XIX of the social security act (medicaid)~~] eleven of article five  
50 of the social services law that the hospital assisted patients in  
51 completing and the number denied and approved;

52 [~~(vii)~~] (viii) the hospital's financial losses resulting from services  
53 provided under medicaid; and

54 [~~(viii)~~] (ix) the number of referrals to collection agents or  
55 contracted external collection vendors, court cases and liens placed on

1 [~~the primary~~] any residences of patients through the collection process  
2 used by a hospital.

3 [~~(j)~~] (k) Within ninety days of the effective date of the chapter of  
4 the laws of two thousand twenty-two which amended this subdivision each  
5 hospital shall submit to the commissioner a written report on its poli-  
6 cies and procedures for financial assistance to patients which are used  
7 by the hospital [~~on the~~] as of such effective date [~~of this subdivi-~~  
8 ~~sion~~]. Such report shall include copies of its policies and procedures,  
9 including material which is distributed to patients, and a description  
10 of the hospital's financial aid policies and procedures. Such  
11 description shall include the income levels of patients on which eligi-  
12 bility is based, the financial aid eligible patients receive and the  
13 means of calculating such aid, and the service area, if any, used by the  
14 hospital to determine eligibility.

15 [~~(k)~~] (l) The commissioner shall include the data collected under  
16 paragraph (j) of this subdivision in regular audits of the annual gener-  
17 al hospital institutional cost report.

18 (m) In the event [~~it is determined by the commissioner that~~] the state  
19 [~~will be~~] is unable to secure all necessary federal approvals to  
20 include, as part of the state's approved state plan under title nineteen  
21 of the federal social security act, a requirement[~~, as set forth in~~  
22 ~~paragraph one of this subdivision,~~] that compliance with this subdivi-  
23 sion is a condition of participation in pool distributions authorized  
24 pursuant to this section and section twenty-eight hundred seven-w of  
25 this article, then such condition of participation shall be deemed null  
26 and void [~~and, notwithstanding~~]. Notwithstanding section twelve of this  
27 chapter, failure to comply with [~~the provisions of~~] this subdivision by  
28 a general hospital [~~on and after the date of such determination~~] shall  
29 make [~~such~~] the hospital liable for a civil penalty not to exceed ten  
30 thousand dollars for each [~~such~~] violation. The imposition of [~~such~~] the  
31 civil penalties shall be subject to [~~the provisions of~~] section twelve-a  
32 of this chapter.

33 (n) A hospital or its collection agents shall not report adverse  
34 information about a patient to a consumer or financial reporting entity,  
35 or commence civil action against a patient or delegate a collection  
36 activity to a debt collector for nonpayment for one hundred eighty days  
37 after the first post-service bill is issued; and a hospital shall not  
38 report adverse information to a consumer reporting agency, or commence a  
39 civil action against a patient or delegate a collection activity to a  
40 debt collector, if: the hospital was notified that an appeal or a review  
41 of a health insurance decision is pending within the immediately preced-  
42 ing sixty days; or the patient has a pending application for or quali-  
43 fied for financial assistance. A hospital shall report the fulfillment  
44 of a patient's payment obligation within thirty days after the obli-  
45 gation is fulfilled to a consumer or financial reporting entity to which  
46 the hospital had reported adverse information about the patient.

47 § 3. Subdivision 9-a of section 2807-k of the public health law as  
48 amended by section two of this act, is amended to read as follows:

49 9-a. (a) (i) As a condition for participation in pool distributions  
50 authorized pursuant to this section and section twenty-eight hundred  
51 seven-w of this article for periods on and after January first, two  
52 thousand nine, general hospitals shall, effective for periods on and  
53 after January first, two thousand [~~seven, establish~~] twenty-four, adopt  
54 and implement the uniform financial assistance [~~policies and procedures,~~  
55 ~~in accordance with the provisions of this subdivision,~~] form and policy,  
56 to be developed and issued by the commissioner. General hospitals shall



1 implement the uniform policy and form for reducing hospital charges and  
2 charges for affiliated providers otherwise applicable to low-income  
3 individuals without third-party health coverage, or who have third-party  
4 health coverage that does not cover or limits coverage of the service,  
5 and who can demonstrate an inability to pay full charges, and also, at  
6 the hospital's discretion, for reducing or discounting the collection of  
7 co-pays and deductible payments from those individuals who can demon-  
8 strate an inability to pay such amounts. Immigration status shall not be  
9 an eligibility criterion for the purpose of determining financial  
10 assistance under this section. As used in this section, "affiliated  
11 provider" means a provider that is: (A) employed by the hospital; (B)  
12 under a professional services agreement with the hospital; or (C) a  
13 clinical faculty member of a medical school or other school that trains  
14 individuals to be providers and that is affiliated with the hospital or  
15 health system.

16 (ii) A general hospital may use the New York state of health market-  
17 place eligibility determination page to establish the patient's house-  
18 hold income and residency in lieu of the financial application form,  
19 provided it has secured the consent of the patient. A general hospital  
20 shall not require a patient to apply for coverage through the New York  
21 state of health marketplace in order to receive care or financial  
22 assistance.

23 (iii) Upon submission of a completed application form, the patient is  
24 not liable for any bills until the general hospital has rendered a deci-  
25 sion on the application in accordance with this subdivision.

26 (b) The reductions from charges for patients described in paragraph  
27 (a) of this subdivision with incomes below six hundred percent of the  
28 federal poverty level shall result in a charge to such individuals that  
29 does not exceed the amount that would have been paid for the same  
30 services provided pursuant to title XVIII of the federal social security  
31 act (medicare), and provided further that such amount shall be adjusted  
32 according to income level as follows:

33 (i) For patients with incomes at or below two hundred percent of the  
34 federal poverty level, the hospital shall collect no more than a nominal  
35 payment amount, consistent with guidelines established by the commis-  
36 sioner.

37 (ii) For patients with incomes above two hundred percent and up to  
38 four hundred percent of the federal poverty level, the hospital shall  
39 collect no more than the amount identified after application of a  
40 proportional sliding fee schedule under which patients with lower  
41 incomes shall pay the lowest amount. The schedule shall provide that the  
42 amount the hospital may collect for the patient increases from the nomi-  
43 nal amount described in subparagraph (i) of this paragraph in equal  
44 increments as the income of the patient increases, up to a maximum of  
45 twenty percent of the amount that would have been paid for the same  
46 services provided pursuant to title XVIII of the federal social security  
47 act (medicare).

48 (iii) For patients with incomes above four hundred percent and up to  
49 six hundred percent of the federal poverty level, the hospital shall  
50 collect no more than the amount that would have been paid for the same  
51 services provided pursuant to title XVIII of the federal social security  
52 act (medicare).

53 (c) Nothing in this subdivision shall be construed to limit a hospi-  
54 tal's ability to establish patient eligibility for payment discounts at  
55 income levels higher than those specified herein and/or to provide

1 greater payment discounts for eligible patients than those required by  
2 this subdivision.

3 (d) [~~Such policies and procedures shall be clear, understandable, in~~  
4 ~~writing and publicly available in summary form and each~~] Each general  
5 hospital participating in the pool shall ensure that every patient is  
6 made aware of the existence of [~~the policies and procedures~~] the uniform  
7 financial assistance form and policy and is provided, in a timely  
8 manner, with [~~a summary and~~] a copy of the policy and form upon request.  
9 [~~Any summary provided to patients shall, at a minimum, include specific~~  
10 ~~information as to income levels used to determine eligibility for~~  
11 ~~assistance, a description of the primary service area of the hospital~~  
12 ~~and the means of applying for assistance.~~] A general hospital shall  
13 notify patients by providing written materials to patients or their  
14 authorized representatives during the intake and registration process,  
15 through the conspicuous posting of language-appropriate information in  
16 the general hospital, and by including information on bills and state-  
17 ments sent to patients, that financial assistance may be available to  
18 qualified patients and how to obtain further information. General hospi-  
19 tals shall post the uniform financial assistance application policy[~~r~~  
20 ~~procedures~~] and form, and a summary of the policy [~~and procedures~~], in a  
21 conspicuous location and downloadable form on the general hospital's  
22 website. The commissioner shall post the uniform financial assistance  
23 form and policy in downloadable form on the department's hospital  
24 profile page or any successor website.

25 (e) The [~~hospital's~~] commissioner shall provide application materials  
26 to general hospitals, including the uniform financial assistance appli-  
27 cation form and policy. These application materials shall include a  
28 notice to patients that upon submission of a completed application form,  
29 the patient shall not be liable for any bills until the general hospital  
30 has rendered a decision on the application in accordance with this  
31 subdivision. The application materials shall include specific informa-  
32 tion as the income levels used to determine eligibility for financial  
33 assistance, a description of the primary service area of the hospital  
34 and the means to apply for assistance. Nothing in this subdivision shall  
35 be construed as precluding the use of presumptive eligibility determi-  
36 nations by hospitals on behalf of patients. The [~~policies and proce-~~  
37 ~~dures~~] uniform application form and policy shall include clear, objec-  
38 tive criteria for determining a patient's ability to pay and for  
39 providing such adjustments to payment requirements as are necessary. In  
40 addition to adjustment mechanisms such as sliding fee schedules and  
41 discounts to fixed standards, [~~such policies and procedures~~] the uniform  
42 policy shall also provide for the use of installment plans for the  
43 payment of outstanding balances by patients [~~pursuant to the provisions~~  
44 ~~of the hospital's financial assistance policy~~]. The monthly payment  
45 under such a plan shall not exceed five percent of the gross monthly  
46 income of the patient. Installment plan payments may not be required to  
47 begin before one hundred eighty days after the date of the service or  
48 discharge, whichever is later. The policy shall allow the patient and  
49 the hospital to mutually agree to modify the terms of an installment  
50 plan. The rate of interest charged to the patient on the unpaid  
51 balance, if any, shall not exceed two percentum per annum and no plan  
52 shall include an accelerator or similar clause under which a higher rate  
53 of interest is triggered upon a missed payment. The [~~policies and proce-~~  
54 ~~dures~~] uniform policy shall not include a requirement of a deposit prior  
55 to medically-necessary care. The hospital shall refund any payments made  
56 by the patient before the determination of eligibility for financial

1 assistance that exceeds the patient's liability after discounts are  
2 applied. Such policies and procedures shall be applied consistently to  
3 all eligible patients.

4 (f) In any legal action by or on behalf of a hospital to collect a  
5 medical debt, the complaint shall be accompanied by an affidavit by the  
6 hospital's chief financial officer stating that on information and  
7 belief the patient does not meet the income or residency criteria for  
8 financial assistance. Patients may apply for financial assistance at any  
9 time during the collection process, including after the commencement of  
10 a medical debt court action or upon the plaintiff obtaining a default  
11 judgment. A hospital may use credit scoring software for the purposes of  
12 establishing income eligibility and approving financial assistance, but  
13 only if the hospital makes clear to the patient that providing a social  
14 security number is not mandatory and the scoring does not negatively  
15 impact the patient's credit score. However, credit scoring software  
16 shall not be solely relied upon by the hospital in denying a patient's  
17 application for financial assistance. The [~~policies and procedures~~]  
18 uniform policy and form shall allow patients seeking financial assist-  
19 ance to provide the following financial information and documentation in  
20 support of their application: pay checks or pay stubs; unemployment  
21 documentation; social security income; rent receipts; a letter from the  
22 patient's employer attesting to the patient's gross income; or, if none  
23 of the aforementioned information and documentation are available, a  
24 written self-attestation of the patient's income may be used. General  
25 hospitals shall, upon request, assist patients in understanding the  
26 [~~hospital's application and form, policies and procedures~~] uniform  
27 financial assistance application form and policy and in applying for  
28 payment adjustments. [~~Application forms shall be printed and posted~~] The  
29 commissioner shall translate the uniform financial assistance applica-  
30 tion form and policy into the "primary languages" of each general hospi-  
31 tal. Each general hospital shall print and post these materials to its  
32 website in the "primary languages" of patients served by the general  
33 hospital. For the purposes of this paragraph, "primary languages" shall  
34 include any language that is either (i) used to communicate, during at  
35 least five percent of patient visits in a year, by patients who cannot  
36 speak, read, write or understand the English language at the level of  
37 proficiency necessary for effective communication with health care  
38 providers, or (ii) spoken by non-English speaking individuals comprising  
39 more than one percent of the primary hospital service area population,  
40 as calculated using demographic information available from the United  
41 States Bureau of the Census, supplemented by data from school systems.  
42 Decisions regarding such applications shall be made within thirty days  
43 of receipt of a completed application. The [~~policies and procedures~~]  
44 uniform financial assistance policy shall require that the hospital  
45 issue any denial or approval of the application in writing with informa-  
46 tion on how to appeal the denial and shall require the hospital to  
47 establish an appeals process under which it will evaluate the denial of  
48 an application. The hospital shall inform patients on how to file a  
49 complaint against the hospital or a debt collector that is contracted on  
50 behalf of the hospital regarding the patient's bill.

51 (g) The [~~policies and procedures~~] uniform financial assistance policy  
52 shall provide that patients with incomes below six hundred percent of  
53 the federal poverty level are deemed eligible for payment adjustments  
54 and shall conform to the requirements set forth in paragraph (b) of this  
55 subdivision, provided, however, that nothing in this subdivision shall  
56 be interpreted as precluding hospitals from extending such payment

1 adjustments to other patients, either generally or on a case-by-case  
2 basis. The [~~policies and procedures~~] uniform policy shall provide finan-  
3 cial assistance for emergency hospital services, including emergency  
4 transfers pursuant to the federal emergency medical treatment and active  
5 labor act (42 USC 1395dd), to patients who reside in New York state and  
6 for medically necessary hospital services for patients who reside in the  
7 hospital's primary service area as determined according to criteria  
8 established by the commissioner. In developing the criteria, the commis-  
9 sioner shall consult with representatives of the hospital industry,  
10 health care consumer advocates and local public health officials. The  
11 criteria shall be made available to the public no less than thirty days  
12 prior to the date of implementation and shall, at a minimum:

13 (i) prohibit a hospital from developing or altering its primary  
14 service area in a manner designed to avoid medically underserved commu-  
15 nities or communities with high percentages of uninsured residents;

16 (ii) ensure that every geographic area of the state is included in at  
17 least one general hospital's primary service area so that eligible  
18 patients may access care and financial assistance; and

19 (iii) require the hospital to notify the commissioner upon making any  
20 change to its primary service area, and to include a description of its  
21 primary service area in the hospital's annual implementation report  
22 filed pursuant to subdivision three of section twenty-eight hundred  
23 three-1 of this article.

24 (h) Nothing in this subdivision shall be interpreted as precluding  
25 hospitals from extending payment adjustments for medically necessary  
26 non-emergency hospital services to patients outside of the hospital's  
27 primary service area. For patients determined to be eligible for finan-  
28 cial assistance under the terms of [~~a hospital's~~] the uniform financial  
29 assistance policy, the [~~policies and procedures~~] financial assistance  
30 policy shall prohibit any limitations on financial assistance for  
31 services based on the medical condition of the applicant, other than  
32 typical limitations or exclusions based on medical necessity or the  
33 clinical or therapeutic benefit of a procedure or treatment.

34 (i) A hospital or its agent shall not issue, authorize or permit an  
35 income execution of a patient's wages, secure a lien or force a sale or  
36 foreclosure of a patient's primary residence in order to collect an  
37 outstanding medical bill and shall not send an account to collection if  
38 the patient has submitted a completed application for financial assist-  
39 ance, while the hospital determines the patient's eligibility for finan-  
40 cial assistance. The [~~policies and procedures~~] uniform policy shall  
41 provide for written notification, which shall include notification on a  
42 patient bill, to a patient not less than thirty days prior to the refer-  
43 ral of debts for collection and shall require that the collection agency  
44 obtain the hospital's written consent prior to commencing a legal  
45 action. The [~~policies and procedures~~] uniform policy shall require all  
46 general hospital staff who interact with patients or have responsibility  
47 for billing and collections to be trained in the [~~policies and proce-~~  
48 ~~dures~~] policy, and require the implementation of a mechanism for the  
49 general hospital to measure its compliance with the [~~policies and proce-~~  
50 ~~dures~~] policy. The [~~policies and procedures~~] uniform policy shall  
51 require that any collection agency, lawyer or firm under contract with a  
52 general hospital for the collection of debts follow the [~~hospital's~~]  
53 uniform financial assistance policy, including providing information to  
54 patients on how to apply for financial assistance where appropriate.  
55 The [~~policies and procedures~~] uniform policy shall prohibit collections  
56 from a patient who is determined to be eligible for medical assistance

1 under title eleven of article five of the social services law at the  
2 time services were rendered and for which services medicaid payment is  
3 available.

4 (j) Reports required to be submitted to the department by each general  
5 hospital as a condition for participation in the pools shall contain:

6 (i) a certification from an independent certified public accountant or  
7 independent licensed public accountant or an attestation from a senior  
8 official of the hospital that the hospital is in compliance with condi-  
9 tions of participation in the pools;

10 (ii) a report on hospital costs incurred and uncollected amounts in  
11 providing services to patients found eligible for financial assistance,  
12 including the amount of care provided for a nominal payment amount,  
13 during the period covered by the report;

14 (iii) hospital costs incurred and uncollected amounts for deductibles  
15 and coinsurance for eligible patients with insurance or other third-par-  
16 ty payor coverage;

17 (iv) the number of patients, organized according to United States  
18 postal service zip code, race, ethnicity and gender, who applied for  
19 financial assistance under the [hospital's] uniform financial assistance  
20 policy, and the number, organized according to United States postal  
21 service zip code, race, ethnicity and gender, whose applications were  
22 approved and whose applications were denied;

23 (v) the reimbursement received for indigent care from the pool estab-  
24 lished under this section;

25 (vi) the amount of funds that have been expended on financial assist-  
26 ance from charitable bequests made or trusts established for the purpose  
27 of providing financial assistance to patients who are eligible in  
28 accordance with the terms of the bequests or trusts;

29 (vii) for hospitals located in social services districts in which the  
30 district allows hospitals to assist patients with such applications, the  
31 number of applications for eligibility for medicaid under title eleven  
32 of article five of the social services law that the hospital assisted  
33 patients in completing and the number denied and approved;

34 (viii) the hospital's financial losses resulting from services  
35 provided under medicaid; and

36 (ix) the number of referrals to collection agents or contracted  
37 external collection vendors, court cases and liens placed on any resi-  
38 dences of patients through the collection process used by a hospital.

39 ~~(k) [Within ninety days of the effective date of the chapter of the  
40 laws of two thousand twenty-two which amended this subdivision each  
41 hospital shall submit to the commissioner a written report on its poli-  
42 cies and procedures for financial assistance to patients which are used  
43 by the hospital as of such effective date. Such report shall include  
44 copies of its policies and procedures, including material which is  
45 distributed to patients, and a description of the hospital's financial  
46 aid policies and procedures. Such description shall include the income  
47 levels of patients on which eligibility is based, the financial aid  
48 eligible patients receive and the means of calculating such aid, and the  
49 service area, if any, used by the hospital to determine eligibility.~~

50 (l) The commissioner shall include the data collected under paragraph  
51 (j) of this subdivision in regular audits of the annual general hospital  
52 institutional cost report.

53 ~~(m)~~ (l) In the event the state is unable to secure all necessary  
54 federal approvals to include, as part of the state's approved state plan  
55 under title nineteen of the federal social security act, a requirement  
56 that compliance with this subdivision is a condition of participation in

1 pool distributions authorized pursuant to this section and section twen-  
2 ty-eight hundred seven-w of this article, then such condition of partic-  
3 ipation shall be deemed null and void. Notwithstanding section twelve of  
4 this chapter, failure to comply with this subdivision by a general  
5 hospital shall make the hospital liable for a civil penalty not to  
6 exceed ten thousand dollars for each violation. The imposition of the  
7 civil penalties shall be subject to section twelve-a of this chapter.

8 [~~n~~] (m) A hospital or its collection agents shall not report adverse  
9 information about a patient to a consumer or financial reporting entity,  
10 or commence civil action against a patient or delegate a collection  
11 activity to a debt collector for nonpayment for one hundred eighty days  
12 after the first post-service bill is issued; and a hospital shall not  
13 report adverse information to a consumer reporting agency, or commence a  
14 civil action against a patient or delegate a collection activity to a  
15 debt collector, if: the hospital was notified that an appeal or a review  
16 of a health insurance decision is pending within the immediately preced-  
17 ing sixty days; or the patient has a pending application for or quali-  
18 fied for financial assistance. A hospital shall report the fulfillment  
19 of a patient's payment obligation within thirty days after the obli-  
20 gation is fulfilled to a consumer or financial reporting entity to which  
21 the hospital had reported adverse information about the patient.

22 § 4. Subdivision 14 of section 2807-k of the public health law is  
23 REPEALED and subdivisions 15, 16 and 17 are renumbered subdivisions 14,  
24 15 and 16.

25 § 5. This act shall take effect immediately; provided that (a)  
26 section two of this act shall take effect on the one hundred twentieth  
27 day after it shall have become a law; and (b) sections one and three of  
28 this act shall take effect October 1, 2023 and apply to funding distrib-  
29 utions made on or after January 1, 2024. Effective immediately, the  
30 commissioner of health may make regulations and take other actions  
31 reasonably necessary to implement sections one, two and three of this  
32 act on their respective effective dates.