

HB0230S01 compared with HB0230

~~{deleted text}~~ shows text that was in HB0230 but was deleted in HB0230S01.

inserted text shows text that was not in HB0230 but was inserted into HB0230S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Jim Bird proposes the following substitute bill:

BALANCE BILLING AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jim Bird

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions of the ~~{Insurance}~~Health Code related to hospital billing and amends the Occupations and Professions Code related to health care provider billing.

Highlighted Provisions:

This bill:

- ▶ prohibits a hospital from ~~{billing}~~seeking to collect an amount from a patient ~~{for an amount }~~ that exceeds the amount the patient is required to pay under an agreement between the hospital and the patient's health insurer;
- ▶ prohibits a health care provider from ~~{billing}~~seeking to collect an amount from a patient ~~{for an amount }~~ that exceeds the amount the patient is required to pay under an agreement between the health care provider and the patient's insurer;

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- ▶ requires a hospital or a health care provider to include a notification on its statement to the patient; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

~~{ None }~~ This bill takes effect on July 1, 2015.

Utah Code Sections Affected:

AMENDS:

26-21-20, as last amended by Laws of Utah 2009, Chapter 11

58-1-502, as last amended by Laws of Utah 2013, Chapter 262

ENACTS:

58-1-501.8, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **26-21-20** is amended to read:

26-21-20. Hospital billing -- Itemized charges and balance billing.

(1) For purposes of this section~~[-"hospital" includes]:~~

(a) "Health care" is as defined in Section 31A-1-301.

(b) "Health insurer" means a person that:

(i) offers a health benefit plan, as defined in Section 31A-1-301;

(ii) offers a policy or certificate that provides solely for:

(A) dental;

(B) vision; or

(C) a Medicare supplement, as defined in Section 31A-1-301; or

(iii) provides self-insurance, as defined in Section 31A-1-301.

(c) "Hospital" includes:

~~[(a)]~~ (i) an ambulatory surgical facility;

~~[(b)]~~ (ii) a general acute hospital; and

~~[(c)]~~ (iii) a specialty hospital.

(2) A hospital shall provide a statement of itemized charges to any patient receiving

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medical care or other services from that hospital.

(3) (a) The statement shall be provided to the patient or the patient's personal representative or agent at the hospital's expense, personally, by mail, or by verifiable electronic delivery after the hospital receives an explanation of benefits from a third party payer which indicates the patient's remaining responsibility for the hospital charges.

(b) If the statement is not provided to a third party, it shall be provided to the patient as soon as possible and practicable.

(4) The statement required by this section:

(a) shall itemize each of the charges actually provided by the hospital to the patient;

(b) (i) shall include the words in bold "THIS IS THE BALANCE DUE AFTER PAYMENT FROM YOUR HEALTH INSURER"; or

(ii) shall include other appropriate language if the statement is sent to the patient under Subsection (3)(b); and

(c) may not include charges of physicians who bill separately.

(5) The requirements of this section do not apply to patients who receive services from a hospital under Title XIX of the Social Security Act.

(6) ~~}{A}~~ If a hospital that provides health care to a patient has an agreement with the patient's health insurer that applies to the patient:

(a) the hospital may not ~~}{bill a patient for}~~ knowingly attempt to collect an amount from the patient that exceeds the copay, coinsurance, or other amount that the patient is required to pay for the health care under ~~}{an}~~ the agreement ~~}{ between the hospital and the patient's health insurer.~~

~~}{(6)}~~ ~~}{(7)}~~; and

(b) the statement described in Subsection (2) shall include a notification directing the patient to compare the statement with the patient's explanation of benefits from the patient's insurer.

(7) Subsection (6) does not apply to a hospital that agrees with a patient that the patient will pay the hospital for health care in cash rather than through insurance.

~~}{(6)}~~ (8) Nothing in this section prohibits a hospital from sending an itemized billing statement to a patient before the hospital has received an explanation of benefits from an insurer. If a hospital provides a statement of itemized charges to a patient prior to receiving the

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explanation of benefits from an insurer, the itemized statement shall be marked in bold: "DUPLICATE: DO NOT PAY" or other appropriate language.

Section 2. Section **58-1-501.8** is enacted to read:

58-1-501.8. Unauthorized billing -- Unprofessional conduct.

(1) As used in this section:

(a) "Health care" is as defined in Section 31A-1-301.

(b) "Health care provider" means a person that is:

(i) defined as a health care provider in Section 78B-3-403; and

(ii) licensed under this title.

(c) "Health insurer" means a person that:

(i) offers a health benefit plan, as defined in Section 31A-1-301;

(ii) offers a policy or certificate that provides solely for:

(A) dental;

(B) vision; or

(C) a Medicare supplement, as defined in Section 31A-1-301; or

(iii) provides self-insurance, as defined in Section 31A-1-301.

(2) ~~It~~ If a health care provider that provides health care to a patient has an agreement with the patient's health insurer that applies to the patient:

(a) it is unprofessional conduct for ~~fa~~the health care provider to ~~bill a patient for~~ knowingly attempt to collect an amount ~~from the patient~~ that exceeds the copay, coinsurance, or other amount that the patient is required to pay for ~~the~~ health care under ~~an~~the agreement ~~between~~; and

(b) the health care provider ~~and the patient's health insurer.~~

Legislative Review Note

as of 11-5-13 1:06 PM

Office of Legislative Research and General Counsel; shall provide the patient with a

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statement of itemized charges that includes a notification directing the patient to compare the statement with the patient's explanation of benefits from the patient's insurer.

(3) Subsection (2) does not apply to a health care provider that agrees with a patient that the patient will pay the health care provider for health care in cash rather than through insurance.

Section 3. Section 58-1-502 is amended to read:

58-1-502. Unlawful and unprofessional conduct -- Penalties.

(1) Unless otherwise specified in this title, a person who violates the unlawful conduct provisions defined in this title is guilty of a class A misdemeanor.

(2) (a) In addition to any other statutory penalty for a violation related to a specific occupation or profession regulated by this title, if upon inspection or investigation, the division concludes that a person has violated Subsection 58-1-501(1)(a), (1)(c), or (2)(o), Subsection 58-1-501.8(2), or a rule or order issued with respect to those subsections, and that disciplinary action is appropriate, the director or the director's designee from within the division shall promptly:

(i) issue a citation to the person according to this section and any pertinent rules;

(ii) attempt to negotiate a stipulated settlement; or

(iii) notify the person to appear before an adjudicative proceeding conducted under Title 63G, Chapter 4, Administrative Procedures Act.

(b) (i) The division may assess a fine under this Subsection (2) against a person who violates Subsection 58-1-501(1)(a), (1)(c), or (2)(o), Subsection 58-1-501.8(2), or a rule or order issued with respect to those subsections, as evidenced by:

(A) an uncontested citation;

(B) a stipulated settlement; or

(C) a finding of a violation in an adjudicative proceeding.

(ii) The division may, in addition to or in lieu of a fine under Subsection (2)(b)(i), order the person to cease and desist from violating Subsection 58-1-501(1)(a), (1)(c), or (2)(o), Subsection 58-1-501.8(2), or a rule or order issued with respect to those subsections.

(c) Except for a cease and desist order, the division may not assess the licensure sanctions cited in Section 58-1-401 through a citation.

(d) A citation shall:

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(i) be in writing;

(ii) describe with particularity the nature of the violation, including a reference to the provision of the chapter, rule, or order alleged to have been violated;

(iii) clearly state that the recipient must notify the division in writing within 20 calendar days of service of the citation if the recipient wishes to contest the citation at a hearing conducted under Title 63G, Chapter 4, Administrative Procedures Act; and

(iv) clearly explain the consequences of failure to timely contest the citation or to make payment of a fine assessed by the citation within the time specified in the citation.

(e) The division may issue a notice in lieu of a citation.

(f) (i) If within 20 calendar days from the service of the citation, the person to whom the citation was issued fails to request a hearing to contest the citation, the citation becomes the final order of the division and is not subject to further agency review.

(ii) The period to contest a citation may be extended by the division for cause.

(g) The division may refuse to issue or renew, suspend, revoke, or place on probation the license of a licensee who fails to comply with a citation after it becomes final.

(h) The failure of an applicant for licensure to comply with a citation after it becomes final is a ground for denial of license.

(i) The division may not issue a citation under this section after the expiration of six months following the occurrence of a violation.

(j) The director or the director's designee shall assess fines according to the following:

(i) for the first offense handled pursuant to Subsection (2)(a), a fine of up to \$1,000;

(ii) for a second offense handled pursuant to Subsection (2)(a), a fine of up to \$2,000;

and

(iii) for each subsequent offense handled pursuant to Subsection (2)(a), a fine of up to \$2,000 for each day of continued offense.

(3) (a) An action for a first or second offense that has not yet resulted in a final order of the division may not preclude initiation of a subsequent action for a second or subsequent offense during the pendency of a preceding action.

(b) The final order on a subsequent action is considered a second or subsequent offense, respectively, provided the preceding action resulted in a first or second offense, respectively.

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(4) (a) The director may collect a penalty that is not paid by:

(i) either referring the matter to a collection agency; or

(ii) bringing an action in the district court of the county where the person against whom the penalty is imposed resides or in the county where the office of the director is located.

(b) A county attorney or the attorney general of the state shall provide legal assistance and advice to the director in an action to collect the penalty.

(c) A court may award reasonable attorney fees and costs to the division in an action brought by the division to enforce the provisions of this section.

Section 4. **Effective date.**

This bill takes effect on July 1, 2015.