Human Services Committee
JOINT FAVORABLE REPORT

Bill No: SB-496 / Bill Status / Public Hearing Testimony
Title: AN ACT CONCERNING HOSPITAL UNCOMPENSATED CARE.
Vote Date: 3/19/2026
Vote Action: Joint Favorable
PH Date: 3/17/2026
File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

This bill seeks to expand hospital financial assistance (HFA) to patients and reimburse such assistance in a voluntary assistance program. Through this bill, the Committee hopes to broaden access to medical care for income-constrained constituents who have unstable healthcare access.

RESPONSE FROM ADMINISTRATION/AGENCY:

Department of Social Services (DSS), Andrea Barton Reeves, Commissioner: raises several concerns with the bill, primarily regarding funding. She expresses worry about the unfunded mandate for DSS to make payments to certain hospitals, which does not include any estimated costs or allocate any funding for such payments either in the current state budget or the Governor's budget. Additionally, she argues that the bill's unclear language could conflict with federal law, specifically with regard to Medicaid Disproportionate Share Hospital (DSH) payments that work to support hospitals that serve a disproportionate amount of uninsured and Medicaid patients. There are federal limits on the overall maximum DSH payments statewide and for each hospital, and thus she stresses that this could be an additional funding issue. She cites the federal criteria and requirements for DSH funding as a constraining factor due to changes in DSH limits by Congress. Lastly, she emphasizes that the appeal right for hospitals to challenge DSS in this bill is vague and problematic, and it could worsen the uncertain fiscal impacts of the bill.

Office of the Healthcare Advocate, Kathleen Holt, Healthcare Advocate: states that this bill as written would restrict hospital finance assistance policies instead of expanding them.

One issue she raises is the conflict with IRS requirements for nonprofit tax-exempt hospitals that would occur with the proposed compensation for voluntary participation. Additionally, she cites a 2025 report from the CT Office of Health Strategy that states that the public criteria that CT hospitals use to provide free care for the insured and uninsured already ranges from 200% to 300% of the federal poverty level (FPL), which is equal to the provisions within this bill. Moreover, while she understands the intent of the section regarding hospitals participating in the voluntary financial assistance program to be reimbursed, she testifies that, "The proposed bill's caps on FPLs for free or discounted care for the uninsured only is so low compared to existing policies that further analysis will likely reveal that tax-exempt status would be jeopardized by reducing financial assistance policies so drastically." By ensuring that tax-exempt hospitals are providing the true equivalent of hospital financial assistance that justifies their tax-exempt status, she argues, the legislature could better achieve the objectives of this bill.

Commission on Racial Equity in Public Health, Gretchen Shugarts, Commission Analyst: appreciates the intent of the bill and states that it would help address medical debt, which contributes to economic and health inequities. However, they make several recommendations and other considerations. They argue that the definition of affordability should be expanded beyond premiums to include deductibles, copays, and other cost-sharing. For hospital financial assistance, they recommend additional oversight to ensure compliance with the provisions.

NATURE AND SOURCES OF SUPPORT:

Connecticut General Assembly, Senate Democrats, Senator Martin Looney, President Pro Tempore of the State Senate, 11th District: Sen. Looney supports this bill, as it would increase hospital financial assistance to patients alongside reimbursements for certain hospitals.

CT Voices for Children, Ruchi Sheth, Research and Policy Associate: voices thier support for this bill and says that it supplements SB3, An Act Concerning Health Care Affordability, by providing clearer implementation details on income verification, homelessness protections, language access, and DSH reimbursement procedures. She emphasizes the importance of children receiving routine medical check-ups and screenings, which aid them in their academic and employment success later in life.

Health Equity Solutions, Ayesha Clarke, Executive Director: supports this bill and references their work in Health Equity Solutions, a nonprofit organization that focuses on reducing health inequities. And highlights the changes happening at the federal level which are causing more people to become uninsured or underinsured. Medical bills are one of the leading causes of bankruptcy, and Black and Hispanic households are more likely to carry medical debt than the national average; exacerbates the economic and health disparities between communities. Maintains that hospital financial assistance is a key mechanism to address this issue, and expresses worry regarding the decreases of Connecticut HFA in the past decade that coincides with an increase in medical debt for individuals who would have qualified for this assistance. Furthermore, they use hospital financial data to demonstrate that hospitals can afford the provisions in this bill. Several recommendations are made, such as granting the Attorney General authorization to enforce existing HFA laws and extending the

requirement of section 1(d) to grant an affordable payment plan to anyone who is ineligible for assistance.

Ministerial Health Fellowship, Lori Savage: supports this bill and testifies that Connecticut residents are being billed incorrectly despite qualifying for assistance, incurring medical debt, and enduring health issues longer due to financial barriers. They strongly support automatic screening for HFA for every hospital encounter, protections against aggressive billing and premature collections, mandating clear, multilingual communication about eligibility, income thresholds adjusted for the cost of living, and guaranteeing preventative and follow-up care to avoid emergencies.

Several members of the public, some of whom are members of community action organizations, voice their support for this bill. They state that healthcare is a human right, and they highlight the barriers that different communities face in accessing care that create health disparities along racial, ethnic, and socioeconomic lines. Furthermore, they emphasize the financial burden from medical bills that is placed on working-class families, which further exacerbates the cycle of economic instability. An additional concern they raise is the lack of communication regarding what financial resources a hospital offers. Many of the families that they have worked with struggle with medical debt or avoid seeking medical treatment entirely to avoid bills that they cannot pay, and others forgo insurance because they cannot afford the monthly premiums. This in turn reduces access to preventative care that could mitigate costly emergency visits. Moreover, as the costs of healthcare increase, they argue that more robust hospital financial assistance or a state-run health insurance option could serve as solutions. They cite the changes to Medicaid and the Affordable Care Act occurring at the federal level as sources of financial strain for families, which they believe necessitates state action.
Melanie Aguilar, Master of Social Work Student at UConn
Fiona Crowley, Master of Social Work Student at UConn
Alexa Molina, Master of Social Work Student at UConn
Yorelys Cardenas, Community Health Worker for Make the Road CT
Maria Cheveria, Make the Road CT
Frank Cruz, Make the Road CT
Alexander Cruz
Liz Diehl, Associate Director of the CT Citizen Action Group
Brian Donahue, Founder of Not Just Us
Timothy Gabriele
Margaret Henderson, former RN/BSN
Harmony Jones, Certified Community Health Worker with Ministerial Health Fellowship
Carmen Lanche, Executive Director of Comunidades Sin Fronteras
Giselle Nino, Student and Volunteer with Comunidades Sin Fronteras
Campbell Mitchell, PhD Student and Researcher at the Yale School of Public Health
LaPamela Self, Ministerial Health Fellowship

NATURE AND SOURCES OF OPPOSITION:

The Connecticut Hospital Association (CHA): The CHA opposes this bill as written due to substantial operational and financial concerns for hospitals. They state that CT hospitals already offer extensive financial assistance and free care programs for low-income patients, which therefore makes many of the provisions in this bill duplicative while causing administrative complications. By prohibiting hospitals from considering patient assets when

determining eligibility and capping hospital collections at 2% of a patient's annual income, they argue that this would place a greater financial burden onto hospitals and thus jeopardize the sustainability of these programs. They appreciate the intent of the bill; however, they raise concerns regarding DSH payments. Each hospital is subject to a hospital-specific DSH limit, and they testify that adequate DSH payments may not be available for hospitals to adopt these provisions. As a recommendation, they support the state establishing a dedicated and stable funding pool for hospital uncompensated care payments that is not reliant on participation in a voluntary financial assistance program.

Reported by: Mia Giglietti **Date: April 6, 2026**