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## **OLR Bill Analysis**

### **sSB 496**

#### ***AN ACT CONCERNING HOSPITAL UNCOMPENSATED CARE.***

#### **SUMMARY**

This bill establishes a voluntary hospital financial assistance program that requires participating hospitals to provide financial assistance to patients if they meet specified income thresholds and, in some cases, are enrolled in certain federal nutrition assistance programs. The financial assistance, which may include a hospital bed fund, must partially or totally reduce a patient's liability for the cost of care. (Generally, a hospital bed fund refers to donations of money, stock, or other property to a hospital to provide free patient care.)

The bill sets related eligibility and care requirements for participating hospitals and authorizes them to be reimbursed by disproportionate share hospital payments (DSH), which are Medicaid payments to hospitals that serve a disproportionately large number of Medicaid and uninsured patients.

Correspondingly, the bill requires the Department of Social Services (DSS) commissioner to amend the Medicaid state plan to use DSH payments to compensate participating hospitals and set criteria for them to document the financial assistance they provide and receive timely payment for it.

Under the bill, a hospital aggrieved by the commissioner's final decision on the validity of the hospital's bills for financial assistance may request a rehearing using existing law's process for DSS payment rates and audits. Under this process, hospitals may appeal any items not resolved at a rehearing to the Superior Court, as authorized under the Uniform Administrative Procedure Act.

EFFECTIVE DATE: October 1, 2026, except that the provision allowing an aggrieved hospital to request a rehearing takes effect January 1, 2027.

## **VOLUNTARY HOSPITAL FINANCIAL ASSISTANCE PROGRAM**

### ***Care Requirements***

Under the bill, hospitals that choose to participate in the bill's hospital financial assistance program must provide inpatient and outpatient care as follows:

1. for free to uninsured patients with income up to 200% of the federal poverty level (FPL);
2. subsidized care to uninsured patients with income between 201% and 300% FPL; and
3. subsidized care for patients with income up to 400% FPL who are enrolled in the (a) federal Supplemental Nutrition Assistance Program (SNAP) or (b) Special Supplemental Food Program for Women, Infants, and Children (WIC).

For patients with incomes under 200% FPL who are ineligible for financial assistance, the bill requires participating hospitals to bill them according to a payment plan that is less than 2% of their annual household income. After 36 cumulative monthly payments, hospitals must consider these patients' bills paid in full and permanently stop collection activities on any remaining balance.

### ***Eligibility Requirements***

The bill prohibits participating hospitals from (1) counting a patient's assets when determining their program eligibility or (2) requiring a patient to provide proof of a denial letter from a public insurance program (the Connecticut Medical Assistance Program, Emergency Medicaid, and Medicare) or insurance through the statewide health exchange (Access Health CT).

Hospitals must use software that meets industry standards on electronic income verification and may accept one of the following

documents to verify a patient's income:

1. a copy of the patient's most recent tax return or W-2 and 1099 forms,
2. copies of the patient's two most recent pay stubs, and
3. an employer's written income verification if the patient is paid in cash.

The bill exempts from these income verification requirements patients who are experiencing (or are at imminent risk of) homelessness but allows hospitals to require them to provide self-attested information for a program screening or application.

### ***Program Information in Other Languages***

Regardless of the state's law on hospital bed funds (see BACKGROUND), the bill requires participating hospitals to make available financial assistance program information in the other languages spoken by at least 5% of the population living in the geographic area the hospital serves.

Under the bill, the information must (1) be included in all discharge paperwork and on the hospital's website, (2) have the Office of the Health Care Advocate's contact information, and (3) comply with the federal Americans with Disabilities Act requirements for effective communication (providing free auxiliary aids and services, such as braille, large print, and relay services).

## **BACKGROUND**

### ***Hospital Bed Fund Patient Summaries***

Existing law requires each hospital that maintains or administers bed funds to make available to patients a one-page plain language summary in English and Spanish on its financial assistance policy.

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable

Yea 16 Nay 7 (03/19/2026)