

SENATE BILL 1903
By Jackson

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 18 and Title 68, relative to services for
certain persons.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 11, Part 2, is amended by
adding the following as a new section:

Section 68-11-259.

(a) Each hospital licensed under this chapter shall develop two programs of
payment allowances for qualified self-pay patients. Each program shall consist of one of
the following:

(1) A program of payment allowances for qualified self-pay patients who
are treated in the emergency room, admitted through the emergency room, or
present for labor and delivery. All patients shall continue to be charged the same
rate, but qualified self-pay patients shall be eligible for discounts based on family
income. The discount shall be determined by each facility. The discount
program shall not apply to patients who are eligible for, or enrolled in, private or
public insurance plans providing hospital coverage, including indemnity plans,
except high deductible plans.

(2) A program for payment allowances for patients with household
incomes up to three hundred percent (300%) of the federal poverty guidelines,
who are qualified self-pay patients who are treated in the emergency room,
admitted through the emergency room, or present for labor and delivery. All
patients shall continue to be charged the same rate, but qualified self-pay

patients shall be eligible for discounts based on family income. The discount program shall not apply to patients who are eligible for or enrolled in private or public insurance plans providing hospital coverage, including indemnity plans. The policy must include a discount that restricts charges to no more than one hundred twenty percent (120%) of the applicable Medicare rates and a description of the methodologies developed by the hospital for the following:

(A) Identifying patients who may be eligible for a payment allowance, notifying them of the availability of the program, and providing appropriate information, including application forms, for a payment allowance.

(B) Identifying public or private insurance or other payment mechanisms for which the patient might be eligible.

(C) Determining the payment allowance or credit.

(D) Notifying patients of their qualification either for a public source of payment or a discount pursuant to this program.

(E) Developing payment plans and procedures preceding assignment of a patient's account to a third party or reporting nonpayment to a patient's consumer credit agency. For purposes of this program, these patients are considered as qualified self-pay patients.

(b) The term "qualified self-pay patient" means any resident who has established a domicile in Tennessee, as evidenced by residing in a Tennessee county which he or she intends to maintain as his or her permanent home, with no public or private source of payment for medical services who would otherwise be expected to pay the hospital's billed charges. The term does not include:

(1) Patients presenting for services that are not covered by Medicare,

Medicaid, or workers' compensation in this state or elective, nonmedically necessary services.

(2) Patients who fail to provide income and asset information to determine if the patient is eligible for public or private coverage or for a discount under this program.

(3) Patients with discretionary assets in excess of fifty percent (50%) of the billed charges, with discretionary assets defined as the fair market value of personal savings, personal investments, and personal nonhomestead property. Discretionary assets shall not include personal automobiles or business assets.

(c) No hospital shall foreclose on homestead property to the extent such property is protected by Section 26-2-301 that is owned by a qualified self-pay patient. No hospital shall seek a court order to issue a writ of bodily attachment to enforce payment of hospital bills for medical services provided to qualified self-pay patients.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.