

108TH CONGRESS  
2D SESSION

# H. R. 4092

To amend title XIX of the Social Security Act to require fair billing for hospital services provided to uninsured patients as a condition of Medicaid funding for a hospital.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 2004

Mr. HEFLEY introduced the following bill; which was referred to the  
Committee on Energy and Commerce

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## A BILL

To amend title XIX of the Social Security Act to require fair billing for hospital services provided to uninsured patients as a condition of Medicaid funding for a hospital.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as “Hospital Billing Fairness  
5       Act of 2004”.

1 **SEC. 2. REQUIREMENT FOR FAIR HOSPITAL BILLING FOR**  
2 **THE UNINSURED.**

3 (a) IN GENERAL.—Section 1903 of the Social Secu-  
4 rity Act (42 U.S.C. 1396b) is amended—

5 (1) in subsection (i), by inserting after para-  
6 graph (8) the following new paragraph:

7 “(9) with respect to any amount expended for  
8 care or services furnished under the plan by a hos-  
9 pital unless the hospital has in effect with the Sec-  
10 retary a certification of fair billing practices de-  
11 scribed in subsection (h)(1); or”; and

12 (2) by inserting after subsection (g) the fol-  
13 lowing new subsection:

14 “(h)(1) For purposes of subsection (i)(9), a certifi-  
15 cation of fair billing practices of a hospital under this  
16 paragraph is a certification, in a form and manner speci-  
17 fied by the Secretary, that the hospital does not bill or  
18 collect from any uninsured individual (as defined in para-  
19 graph (3)) for care or services furnished by the hospital  
20 an amount that exceeds 125 percent of the full payment  
21 amount (including any deductibles, coinsurance, or other  
22 cost-sharing) that would be recognized and permitted  
23 under title XVIII with respect to such care or services fur-  
24 nished to an individual entitled to benefits under part A  
25 of such title and enrolled under part B of such title. The  
26 Secretary shall specify the method for computing such full

1 payment amount in the case of care and services for which  
2 there is not a full payment amount computed for purposes  
3 of such title.

4 “(2)(A) In the case of a hospital that has in effect  
5 a certification under paragraph (1) and that collects any  
6 amount in excess of the amount permitted to be charged  
7 or billed under such certification, the hospital shall refund  
8 such excess amount on a timely basis (as defined by the  
9 Secretary consistent with time period described in section  
10 1848(g)(1)(C)).

11 “(B) In the case of a hospital with such a certifi-  
12 cation that fails to provide a refund required under sub-  
13 paragraph (A), the hospital is subject to imposition of a  
14 civil money penalty in an amount equal to three times the  
15 amount of such excess. The provisions of section 1128A  
16 (other than subsections (a) and (b)) shall apply to civil  
17 money penalties under this subparagraph in the same  
18 manner as they apply to a penalty or proceeding under  
19 section 1128A(a). The Secretary shall provide for payment  
20 to the uninsured individual involved of the portion of such  
21 civil money penalty collected that represents the excess  
22 amount collected with respect to that individual.

23 “(3) For purposes of this subsection, the term ‘unin-  
24 sured individual’ means, with respect to care and services  
25 furnished by a hospital to the individual, an individual who

1 does not have insurance or other third-party contractual  
2 benefits that provides payment for costs incurred for such  
3 care and services. In applying the previous sentence, an  
4 individual shall not be treated as having insurance or con-  
5 tractual benefits for care and services if benefits for such  
6 care and services are not payable under such insurance  
7 or benefits by virtue of application of a deductible or if  
8 such contractual benefits consist only of payment from a  
9 medical or health savings account or similar mechanism.”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 subsection (a) shall first apply to payment amounts for  
12 care and services furnished after the end of the 60-day  
13 period beginning on the date of the enactment of this Act,  
14 but shall not apply to inpatient hospital services that are  
15 part of an admission that began before the end of such  
16 period.

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