

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Thursday, March 24, 2022

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Lodge, Vice Chairman Guthrie, Senators Winder, Anthon, Harris, Lee, Stennett, and Burgoyne

ABSENT/ EXCUSED: Senator Heider

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Lodge** called the meeting of the Senate State Affairs Committee (Committee) to order at 8:04 a.m.

H 778 **IDAHO PATIENT ACT - Amends and adds to existing law to revise and clarify provisions regarding requirements for extraordinary collection actions by health care providers against patients.** **Josh Scholer**, Legal Extern for Senator Anthon, stated the legislation modified the Idaho Patient Act (IPA) by clarifying that the pursuit of overdrawn checks for the amount of the overdrawn check was not an extraordinary collection action, provided a faster timeline for adverse credit reporting in exchange for giving up the ability to pursue other extraordinary collection action, adjusted the timing and content of certain necessary patient communications as well as the burden of proof, before engaging in an extraordinary collection action against a patient. The legislation also provided intent language to further clarify that the limits on costs, fees, and attorney's fees began with any extraordinary collection action commenced on or after January 1, 2021, regardless of when the goods or services were delivered to the patient.

Mr. Scholer noted this legislation had no impact on the General Fund because it only dealt with changes to the existing IPA and did not call for any new appropriation.

Mr. Scholer gave a brief overview of the changes in the bill. He noted the biggest issue was on page 2, line 45, where striking "and patient's group and membership numbers" had the largest impact for providers since it was cost prohibitive. He stated the burden was on the provider after billing the insurance company. No extraordinary collection action could be brought unless the provider could prove the insurance company had been properly billed.

DISCUSSION: **Senator Stennett** and **Mr. Scholer** discussed the problems associated with billing codes as related to global services versus consolidated summaries of services and why one facility was exempted over another.

TESTIMONY: **Mark Ness**, North Idaho Credit Corporation, Coeur d'Alene, testified in opposition to the bill. He described issues with a patient who did not have current insurance information because they thought the prior service had the information in the system that would have an effect on billing. He stated the burden of proof and the requirement to file electronically with the court, now required to disclose the name, insurance, and so on, and that was a violation of the Health Insurance Portability and Accountability Act (HIPAA).

DISCUSSION: **Mr. Ness** and **Mr. Scholer** discussed the idea that HIPAA did not apply to credit agencies or anyone else filing a lawsuit. **Mr. Scholer** indicated there was no contract for attorney's fees and those fees could not be charged under these conditions. He stated the bill would make it easier for providers and any collection agencies to comply with the law and take action as necessary.

MOTION: **Senator Harris** moved to send **H 778** to the floor with a **do pass** recommendation. **Senator Lee** seconded the motion.

DISCUSSION: **Senator Lee** acknowledged Mr. Scholer's effort and that of all of the stakeholders. She stated this bill was hard fought and a great compromise. This bill entailed hundreds of hours of work and would benefit patients and providers.

Senator Burgoyne commended all who worked on the bill. He stated it was a hardship on small providers when they were not paid. The objective was to achieve a fair system that worked. With this bill, those responsible for communicating billing to patients should make the notices understandable and not just lifted out of the statute. He stated he was in support of the bill.

VOICE VOTE: The motion to send **H 778** to the floor with a **do pass** recommendation carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Lodge** adjourned the meeting at 8:34 a.m.

Senator Lodge
Chair

Twyla Melton
Secretary

Linda Kambeitz, Asst. Secretary