

AMENDED IN SENATE AUGUST 28, 2006

AMENDED IN SENATE AUGUST 22, 2006

AMENDED IN SENATE AUGUST 7, 2006

AMENDED IN SENATE JUNE 22, 2006

AMENDED IN SENATE JUNE 16, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 774**

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**Introduced by Assembly Member Chan**

February 18, 2005

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An act to add Article 3 (commencing with Section 127400) to Chapter 2 of Part 2 of Division 107 of the Health and Safety Code, relating to hospitals.

LEGISLATIVE COUNSEL'S DIGEST

AB 774, as amended, Chan. Hospitals: fair pricing policies.

Existing law provides for the Office of Statewide Health Planning and Development, which is charged with the administration of health policy and planning relating to health facilities, including hospitals. Existing law also provides for the licensure and regulation of health facilities by the State Department of Health Services.

This bill would require each hospital, as a condition of licensure, to maintain written policies about discount payment and charity care for financially qualified patients, as defined. The bill would require these policies to include, among other things, a section addressing eligibility criteria, as prescribed. The bill would require each hospital to perform various functions in connection with the hospital charity care and

discount pay policies, including providing patients with ~~a written summary of these policies~~ *notice that contains information about the hospital's discount payment and charity care policies, including information about eligibility* and attempting to determine the availability of private or public health insurance coverage for each patient. The bill would also specify billing and collection procedures to be followed by a hospital, its assignee, collection agency, or billing service.

This bill would require each hospital to submit to the office a copy of the hospital's discount payment and charity care policies, eligibility procedures, review process, and the application for charity care or discounted payment.

~~The bill would authorize the Director of Health Services to levy administrative penalties for each violation by a hospital of the above provisions.~~

This bill would also require the director to ensure that a hospital that overcharges a patient shall reimburse that patient, as described, ~~or if the hospital cannot locate the patient, to use those funds towards providing care to financially qualified persons.~~

This bill would provide that to the extent that certain of the bill's requirements result in a specified federal determination relating to the hospital's established charge schedule, the requirement in question shall be inoperative with respect to all general acute care hospitals.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 3 (commencing with Section 127400) is  
2 added to Chapter 2 of Part 2 of Division 107 of the Health and  
3 Safety Code, to read:

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5 Article 3. Hospital Fair Pricing Policies

6

7 127400. As used in this article, the following terms have the  
8 following meanings:

9 (a) "Allowance for financially qualified patient" means, with  
10 respect to services rendered to a financially qualified patient, an  
11 allowance that is applied after the hospital's charges are imposed

1 on the patient, due to the patient’s determined financial inability  
2 to pay the charges.

3 (b) “Federal poverty level” means the poverty guidelines  
4 updated periodically in the Federal Register by the United States  
5 Department of Health and Human Services under authority of  
6 subsection (2) of Section 9902 of Title 42 of the United States  
7 Code.

8 (c) “Financially qualified patient” means a patient who is both  
9 of the following:

10 (1) A patient who is a self-pay patient, as defined in  
11 subdivision (f) or a patient with ~~inadequate insurance~~, *high*  
12 *medical costs*, as defined in subdivision (g).

13 (2) A patient who has a family income that does not exceed  
14 350 percent of the federal poverty level.

15 (d) “Hospital” means any facility that is required to be  
16 licensed under subdivision (a), (b), or (f) of Section 1250, except  
17 a facility operated by the State Department of Mental Health or  
18 the Department of Corrections.

19 (e) “Office” means the Office of Statewide Health Planning  
20 and Development.

21 (f) “Self-pay patient” means a patient who does not have  
22 third-party coverage from a health insurer, health care service  
23 plan, Medicare, or Medicaid, and whose injury is not a  
24 compensable injury for purposes of workers’ compensation,  
25 automobile insurance, or other insurance as determined and  
26 documented by the hospital. Self-pay patients may include  
27 charity care patients.

28 (g) “A patient with ~~inadequate insurance~~” *high medical costs*”  
29 means a person whose family income does not exceed 350  
30 percent of the federal poverty level, as defined in subdivision (c),  
31 if that individual does not receive a discounted rate from the  
32 hospital as a result of his or her third-party coverage. For these  
33 purposes, ~~“inadequate insurance”~~ “*high medical costs*” means  
34 any of the following:

35 (1) ~~Costs~~ *Annual out-of-pocket costs* incurred by the individual  
36 at the hospital that exceed ~~5~~ 10 percent of the patient’s ~~annual~~  
37 ~~income~~; *family income in the prior 12 months*.

38 (2) Annual out-of-pocket expenses that exceed ~~5~~ 10 percent of  
39 the patient’s ~~annual~~ *family income*, if the patient provides

1 documentation of the patient's medical expenses *paid by the*  
2 *patient or the patient's family* in the prior 12 months.

3 (3) A lower level determined by the hospital in accordance  
4 with the hospital's charity care policy.

5 (h) "Patient's family" means the following:

6 (1) For persons 18 years of age and older, spouse, domestic  
7 partner and dependent children under 21 years of age, whether  
8 living at home or not.

9 (2) For persons under 18 years of age, parent, caretaker  
10 relatives and other children under 21 years of age of the parent or  
11 caretaker relative.

12 127401. Each general acute care hospital licensed pursuant to  
13 subdivision (a) of Section 1250 shall comply with the provisions  
14 of this article as a condition of licensure. The State Department  
15 of Health Services shall be responsible for the enforcement of  
16 these provisions.

17 127405. (a) (1) Each hospital shall maintain an  
18 understandable written policy regarding discount payments for  
19 financially qualified patients as well as an understandable written  
20 charity care policy. Uninsured patients or patients with  
21 ~~inadequate insurance~~ *high medical costs* who are at or below 350  
22 percent of the federal poverty level, as defined in subdivision (c)  
23 of Section 127400, shall be eligible to apply for participation  
24 under each hospital's charity care policy or discount payment  
25 policy. Notwithstanding any other provision of this act, a hospital  
26 may choose to grant eligibility for its discount payment policy or  
27 charity care policies to patients with incomes over 350 percent of  
28 the federal poverty level. Both the charity care policy and the  
29 discount payment policy shall state the process used by the  
30 hospital to determine whether a patient is eligible for charity care  
31 or discounted payment. In the event of a dispute, a patient may  
32 seek review from the business manager, chief financial officer, or  
33 other appropriate manager as designated in the charity care  
34 policy and the discount payment policy.

35 (2) Rural hospitals, as defined in Section 124840, may  
36 establish eligibility levels for financial assistance and charity care  
37 at less than 350 percent of the federal poverty level as  
38 appropriate to maintain their financial and operational integrity.

39 (b) Each hospital's discount payment policy shall clearly state  
40 eligibility criteria based upon income consistent with the

1 application of the federal poverty level. The discount payment  
2 policy shall also include an extended payment plan to allow  
3 payment of the discounted price over time. The policy shall  
4 provide that the hospital and the patient may negotiate the terms  
5 of the payment plan.

6 (c) The charity care policy shall clearly state eligibility criteria  
7 for charity care. In determining eligibility under its charity care  
8 policy, a hospital may consider income and monetary assets of  
9 the patient. For purposes of this determination, monetary assets  
10 shall not include retirement or deferred-compensation plans  
11 qualified under the Internal Revenue Code, or nonqualified  
12 deferred-compensation plans. Furthermore, the first ten thousand  
13 dollars (\$10,000) of a patient's monetary assets shall not be  
14 counted in determining eligibility, nor shall 50 percent of a  
15 patient's monetary assets over the first ten thousand dollars  
16 (\$10,000) be counted in determining eligibility.

17 (d) Each hospital shall limit expected payment for services it  
18 provides to any patient at or below 350 percent of the federal  
19 poverty level, as defined in subdivision (b) of Section 124700,  
20 eligible under its discount payment policy to the amount of  
21 payment the hospital would receive for providing services from  
22 Medicare, Medi-Cal, Healthy Families, or any other  
23 government-sponsored health program of health benefits in  
24 which the hospital participates, whichever is greater. If the  
25 hospital provides a service for which there is no established  
26 payment by Medicare or any other government-sponsored  
27 program of health benefits in which the hospital participates, the  
28 hospital shall establish an appropriate discounted payment.

29 (e) Any patient, or patient's legal representative, who requests  
30 a discounted payment, charity care, or other assistance in meeting  
31 their financial obligation to the hospital shall make every  
32 reasonable effort to provide the hospital with documentation of  
33 income *and health benefits coverage. If the person requests*  
34 *charity care or a discounted payment and fails to provide*  
35 *information that is reasonable and necessary for the hospital to*  
36 *make a determination, the hospital may consider that failure in*  
37 *making its determination.*

38 (1) For the purpose of determining eligibility for discounted  
39 payment, documentation of income shall be limited to recent pay  
40 stubs or income tax returns.

1 (2) For the purpose of determining eligibility for charity care,  
2 documentation of assets may include information on all monetary  
3 assets, but shall not include statements on retirement or  
4 deferred-compensation plans qualified under the Internal  
5 Revenue Code, or nonqualified deferred-compensation plans. A  
6 hospital may require waivers or releases from the patient or the  
7 patient's family, authorizing the hospital to obtain account  
8 information from financial or commercial institutions, or other  
9 entities that hold or maintain the monetary assets to verify their  
10 value. Information obtained pursuant to this paragraph regarding  
11 the assets of the patient or the patient's family shall not be used  
12 for collections activities.

13 (3) Eligibility for discounted payments or charity care may be  
14 determined at any time the hospital is in receipt of information  
15 specified in paragraph (1) or paragraph (2), respectively.

16 127410. (a) Each hospital shall provide patients with a  
17 ~~written summary of the hospital's policy for financially qualified~~  
18 ~~patients at the time of admission. The written summary shall be~~  
19 ~~consistent with the summary provided pursuant to Section~~  
20 ~~1339.585; written notice that~~ and shall contain information about  
21 availability of the hospital's discount payment and charity care  
22 policies, including *information about* eligibility ~~criteria~~, as well  
23 as contact information for a hospital employee or office from  
24 which the person may obtain further information about these  
25 policies. This ~~written summary~~ *notice* shall be provided in  
26 addition to the estimate provided pursuant to Section 1339.585.  
27 ~~The summary notice~~ shall also be provided to patients who  
28 receive emergency or outpatient care and who may be billed for  
29 that care, but who were not admitted. ~~The summary notice~~ shall  
30 be provided in English, and in languages other than English. The  
31 languages to be provided shall be determined in a manner similar  
32 to that required pursuant to Section 12693.30 of the Insurance  
33 Code. ~~All written~~ *Written* correspondence to the patient required  
34 by this article shall also be in the language spoken by the patient,  
35 consistent with ~~this section. Section 12693.30 of the Insurance~~  
36 *Code and applicable state and federal law.*

37 (b) Notice of the hospital's policy for financially qualified and  
38 self-pay patients shall be clearly and conspicuously posted in  
39 locations that are visible to the public, including, but not limited  
40 to, all of the following:

- 1 (1) Emergency department, if any.
- 2 (2) Billing office.
- 3 (3) Admissions office.
- 4 (4) Other outpatient settings.

5 127420. (a) Each hospital shall make all reasonable efforts to  
6 obtain from the patient or his or her representative information  
7 about whether private or public health insurance or sponsorship  
8 may fully or partially cover the charges for care rendered by the  
9 hospital to a patient, including, but not limited to, any of the  
10 following:

- 11 (1) Private health insurance.
- 12 (2) Medicare.
- 13 (3) The Medi-Cal program, the Healthy Families Program, the  
14 California Childrens' Services Program, or other state-funded  
15 programs designed to provide health coverage.

16 (b) If a hospital bills a patient who has not provided proof of  
17 coverage by a third party at the time the care is provided or upon  
18 discharge, as a part of that billing, the hospital shall provide the  
19 patient with a clear and conspicuous notice that includes all of  
20 the following:

- 21 (1) A statement of charges for services rendered by the  
22 hospital.
- 23 (2) A request that the patient inform the hospital if the patient  
24 has health insurance coverage, Medicare, Healthy Families,  
25 Medi-Cal, or other coverage.
- 26 (3) A statement that if the consumer does not have health  
27 insurance coverage, the consumer may be eligible for Medicare,  
28 Healthy Families, Medi-Cal, California Childrens' Services  
29 Program, or charity care.
- 30 (4) A statement indicating how patients may obtain  
31 applications for the Medi-Cal program and the Healthy Families  
32 Program and that the hospital will provide these applications. If,  
33 ~~at the time care is provided, the patient does not show proof of~~  
34 *indicate* coverage by a third-party payer specified in subdivision  
35 (a), *or requests a discounted price or charity care* then the  
36 hospital shall provide an application for the Medi-Cal program  
37 ~~and, the Healthy Families Program or other governmental~~  
38 *program* to the patient. This application ~~may accompany the~~  
39 *billing, or may be provided at the time of shall be provided prior*

1 *to discharge if the patient has been admitted or to patients*  
2 *receiving emergency or outpatient care.*

3 (5) Information regarding the financially qualified patient and  
4 charity care application, including the following:

5 (A) A statement that indicates that if the patient lacks, or has  
6 inadequate, insurance, and meets certain low- and  
7 moderate-income requirements, the patient may qualify for  
8 discounted payment or charity care.

9 (B) The name and telephone number of a hospital employee or  
10 office from whom or which the patient may obtain information  
11 about the hospital's discount payment and charity care policies,  
12 and how to apply for that assistance.

13 127425. (a) Each hospital shall have a written policy about  
14 when and under whose authority patient debt is advanced for  
15 collection, whether the collection activity is conducted by the  
16 hospital, an affiliate or subsidiary of the hospital, or by an  
17 external collection agency.

18 (b) Each hospital shall establish a written policy defining  
19 standards and practices for the collection of debt, and shall obtain  
20 a written agreement from any agency that collects hospital  
21 receivables that it will adhere to the hospital's standards and  
22 scope of practices. The policy shall not conflict with other  
23 applicable laws and shall not be construed to create a joint  
24 venture between the hospital and the external entity, or otherwise  
25 to allow hospital governance of an external entity that collects  
26 hospital receivables. In determining the amount of a debt a  
27 hospital may seek to recover from patients who are eligible under  
28 the hospital's charity care policy or discount payment policy, the  
29 hospital may consider only income and monetary assets as  
30 limited by Section 127405.

31 (c) At time of billing, each hospital shall provide a written  
32 summary consistent with Section 127410, which includes the  
33 same information concerning services and charges provided to all  
34 other patients who receive care at the hospital.

35 (d) For a patient that lacks coverage, or for a patient that  
36 provides information that he or she may be a patient with  
37 ~~inadequate insurance~~, *high medical costs*, as defined in this  
38 article, a hospital, any assignee of the hospital, or other owner of  
39 the patient debt, including a collection agency, shall not report  
40 adverse information to a consumer credit reporting agency or

1 commence civil action against the patient for nonpayment at any  
2 time prior to 150 days after initial billing. ~~For purposes of this~~  
3 ~~subdivision, a hospital may sell or assign debt to another entity if~~  
4 ~~that entity does not report adverse information to a consumer~~  
5 ~~credit agency.~~

6 (e) If a patient is attempting to qualify for eligibility under the  
7 hospital's charity care or discount payment policy and is  
8 attempting in good faith to settle an outstanding bill with the  
9 hospital by negotiating a reasonable payment plan or by making  
10 regular partial payments of a reasonable amount, the hospital  
11 shall not send the unpaid bill to any collection agency or other  
12 assignee, unless that entity has agreed to comply with this article.

13 (f) ~~(1) The hospital, collecting agency, or other assignee~~  
14 ~~which is an affiliate or subsidiary of the hospital shall not, in~~  
15 ~~dealing with patients eligible under the hospital's charity care or~~  
16 ~~discount payment policies, use wage garnishments or liens on~~  
17 ~~primary residences as a means of collecting unpaid hospital bills.~~  
18 ~~This~~

19 (2) *A collection agency or other assignee that is not a*  
20 *subsidiary or affiliate of the hospital shall not, in dealing with*  
21 *any patient under the hospital's charity care or discount payment*  
22 *policies, use as a means of collecting unpaid hospital bills, any of*  
23 *the following:*

24 (A) *A wage garnishment, except by order of the court upon*  
25 *noticed motion, supported by a declaration file by the movant*  
26 *identifying the basis for which it believes that the patient has the*  
27 *ability to make payments on the judgment under the wage*  
28 *garnishment, which the court shall consider in light of the size of*  
29 *the judgment and additional information provided by the patient*  
30 *prior to, or at, the hearing concerning the patient's ability to*  
31 *pay, including information about probable future medical*  
32 *expenses based on the current condition of the patient and other*  
33 *obligations of the patient.*

34 (B) *Notice or conduct a sale of the patient's primary residence*  
35 *during the life of the patient or his or her spouse, or during the*  
36 *period a child of the patient is a minor, or a child of the patient*  
37 *who has attained the age of majority is unable to take care of*  
38 *himself or herself and resides in the dwelling as his or her*  
39 *primary residence. In the event a person protected by this*  
40 *paragraph owns more than one dwelling, the primary residence*

1 *shall be the dwelling that is the patient's current homestead, as*  
2 *defined in Section 704.710 of the Code of Civil Procedure or was*  
3 *the patient's homestead at the time of the death of a person other*  
4 *than the patient is asserting the protections of this paragraph.*

5 (3) This requirement does not preclude a hospital, *collection*  
6 *agency, or other assignee* from pursuing reimbursement *and any*  
7 *enforcement remedy or remedies* from third-party liability  
8 settlements, tortfeasors, or other legally responsible parties.

9 (g) Any extended payment plans offered by a hospital to assist  
10 patients eligible under the hospital's charity care policy, discount  
11 payment policy, or any other policy adopted by the hospital for  
12 assisting low-income patients with ~~no or inadequate insurance~~  
13 *insurance or high medical costs* in settling outstanding past due  
14 hospital bills, shall be interest free.

15 (h) Nothing in this section shall be construed to diminish or  
16 eliminate any protections consumers have under existing federal  
17 and state debt collection laws, or any other consumer protections  
18 available under state or federal law. This subdivision does not  
19 limit or alter the obligation of the patient to make payments from  
20 the first date due on the obligation owing to the hospital pursuant  
21 to any contract or applicable statute, in the event that the patient  
22 fails to make payments for 90 days, or to renegotiate the payment  
23 plan.

24 127426. (a) The period described in Section 127425 shall be  
25 extended if the patient has a pending appeal for coverage of the  
26 services, until a final determination of that appeal is made, if the  
27 patient makes a reasonable effort to communicate with the  
28 hospital about the progress of any pending appeals.

29 (b) For purposes of this section, "pending appeal" includes any  
30 of the following:

31 (1) A grievance against a *contracting* health care service plan,  
32 as described in Chapter 2.2 (commencing with Section 1340) of  
33 Division 2, or against an insurer, as described in Chapter 1  
34 (commencing with Section 10110) of Part 2 of Division 2 of the  
35 Insurance Code.

36 (2) An independent medical review, as described in Section  
37 10145.3 or 10169 of the Insurance Code.

38 (3) A fair hearing for a review of a Medi-Cal claim pursuant to  
39 Section 10950 of the Welfare and Institutions Code.

1 (4) An appeal regarding Medicare coverage consistent with  
2 federal law and regulations.

3 127430. (a) Prior to commencing collection activities against  
4 a patient, the hospital, any assignee of the hospital, or other  
5 owner of the patient debt, including a collection agency, shall  
6 provide the patient with a clear and conspicuous written notice  
7 containing both of the following:

8 (1) A plain language summary of the patient’s rights pursuant  
9 to this article, the Rosenthal Fair Debt Collection Practices Act  
10 (Title 1.6C (commencing with Section 1788) of Part 4 of  
11 Division 3 of the Civil Code), and the federal Fair Debt  
12 Collection Practices Act (Subchapter V (commencing with  
13 Section 1692) of Chapter 41 of Title 15 of the United States  
14 Code). The summary shall include a statement that the Federal  
15 Trade Commission enforces the federal act.

16 The summary shall be sufficient if it appears in substantially  
17 the following form: “State and federal law require debt collectors  
18 to treat you fairly and prohibit debt collectors from making false  
19 statements or threats of violence, using obscene or profane  
20 language, and making improper communications with third  
21 parties, including your employer. Except under unusual  
22 circumstances, debt collectors may not contact you before 8:00  
23 a.m. or after 9:00 p.m. In general, a debt collector may not give  
24 information about your debt to another person, other than your  
25 attorney or spouse. A debt collector may contact another person  
26 to confirm your location or to enforce a judgment. For more  
27 information about debt collection activities, you may contact the  
28 Federal Trade Commission by telephone at 1-877-FTC-HELP  
29 (382-4357) or online at [www.ftc.gov](http://www.ftc.gov).”

30 ~~(2) Information about~~ *A statement that* nonprofit credit  
31 counseling services *may be available* in the area.

32 (b) The notice required by subdivision (a) shall also  
33 accompany any document indicating that the commencement of  
34 collection activities may occur.

35 (c) The requirements of this section shall apply to the entity  
36 engaged in the collection activities. If a hospital assigns or sells  
37 the debt to another entity, the obligations shall apply to the entity,  
38 including a collection agency, engaged in the debt collection  
39 activity.

1 127435. Each hospital shall provide to the office a copy of its  
 2 discount payment policy, charity care policy, eligibility  
 3 procedures for those policies, review process, and the application  
 4 for charity care or discounted payment programs. The office may  
 5 determine whether the information is to be provided  
 6 electronically or in some other manner. The information shall be  
 7 provided at least biennially on January 1, or when a significant  
 8 change is made. If no significant change has been made by the  
 9 hospital since the information was previously provided, notifying  
 10 the office of the lack of change shall meet the requirements of  
 11 this section. The office shall make this information available to  
 12 the public.

13 ~~127440. (a) For violations of this article, the Director of~~  
 14 ~~Health Services may, after appropriate notice and opportunity for~~  
 15 ~~hearing, levy administrative penalties. When assessing~~  
 16 ~~administrative penalties against a health facility, the director shall~~  
 17 ~~determine the appropriate amount of the penalty for each~~  
 18 ~~violation. In making that determination, the director may~~  
 19 ~~consider the following factors:~~

- 20 (1) ~~The nature, scope, and gravity of the violation.~~
- 21 (2) ~~The facility's history of violations.~~
- 22 (3) ~~The demonstrated willfulness of the violation.~~
- 23 (4) ~~The behavior of the facility with respect to violations,~~  
 24 ~~including whether the facility mitigated any damage or injury~~  
 25 ~~from the violations.~~

26 (b) ~~In lieu of an administrative penalty, the director may~~  
 27 ~~require the hospital to provide care at no cost to financially~~  
 28 ~~qualified persons in a value comparable to three times the value~~  
 29 ~~of the care provided in violation of Section 127405.~~

30 ~~127441. The director shall order the hospital to reimburse the~~  
 31 ~~patient or patients that were overcharged the amount of actual~~  
 32 ~~financial damages, including interest. If the hospital is unable to~~  
 33 ~~locate a patient or patients, the hospital shall use the remaining~~  
 34 ~~funds to provide care at no cost to financially qualified persons.~~

35 ~~127442. A hospital may appeal an administrative penalty~~  
 36 ~~within 30 days, as consistent with section 100171. The facility~~  
 37 ~~may also seek to adjudicate the validity of the violation or the~~  
 38 ~~penalty.~~

1 127440. *The hospital shall reimburse the patient or patients*  
2 *any amount actually paid in excess of the amount due under this*  
3 *article, including interest.*

4 127443. The rights, remedies, and penalties established by  
5 this article are cumulative, and shall not supersede the rights,  
6 remedies, or penalties established under other laws.

7 127444. Nothing in this article shall be construed to prohibit  
8 a hospital from uniformly imposing charges from its established  
9 charge schedule or published rates, nor shall this article preclude  
10 the recognition of a hospital's established charge schedule or  
11 ~~published rates for the Medi-Cal program and the Medicare~~  
12 ~~Program reimbursement charges.~~ *published rates for purposes of*  
13 *applying any payment limit, interim payment amount, or other*  
14 *payment calculation based upon a hospital's rates or charges*  
15 *under the Medi-Cal program, the Medicare Program, workers'*  
16 *compensation, or other federal, state, or local public program of*  
17 *health benefits.*

18 127445. Notwithstanding any other provision of law, the  
19 amounts paid by ~~patients parties~~ for services resulting from ~~the~~  
20 ~~self-pay allowances or charity care arrangements that are applied~~  
21 ~~under a hospital's self-pay and charity care policies shall not~~  
22 ~~constitute a reduced or waived charges under a hospital's~~  
23 ~~discounted payment or charity care policy shall not constitute a~~  
24 hospital's uniform, published, prevailing, or customary charges,  
25 its usual fees to the general public, or its charges to  
26 non-Medi-Cal purchasers under comparable circumstances, *and*  
27 *shall not be used to calculate a hospital's median non-Medicare*  
28 *or Medi-Cal charges, for purposes of any payment limit under*  
29 ~~federal Medicaid law, Medi-Cal law,~~ *the federal Medicare*  
30 *Program, the Medi-Cal program, or any other federal or*  
31 *state-financed health care program.*

32 127446. To the extent that any requirement of Section  
33 127400, 127401, or 127405 results in a federal determination that  
34 a hospital's established charge schedule or published rates are not  
35 the hospital's customary or prevailing charges for services, the  
36 requirement in question shall be inoperative for all general acute  
37 care hospitals, including, but not limited to, a hospital that is  
38 licensed to and operated by a county or a hospital authority  
39 established pursuant to Section 101850. The State Department of  
40 Health Services shall seek federal guidance regarding

- 1 modifications to the requirement in question. All other
- 2 requirements of this article shall remain in effect.

O