

SENATE BILL 403

By Lamar

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 8; Title 16; Title 18; Title 20; Title 21; Title 27; Title 28; Title 29; Title 33; Title 45; Title 47; Title 63; Title 68 and Title 71, relative to healthcare costs.

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:

(a) As used in this section, "uncompensated care" means healthcare services rendered by a facility for which no payment was received from the patient or on behalf of the patient.

(b) A facility that accepts public funds as compensation for losses due to providing uncompensated care shall ensure that an amount of outstanding patient debt equal to the amount of public funds accepted is designated as satisfied, and the facility shall not seek a judgment or take other legal action to collect from the debtor any portion of such debt that is so designated.

(c) A facility that accepts public funds pursuant to subsection (b) shall notify the patient whose debt has been satisfied. Such notification must include the amount of satisfied patient debt, and, if applicable, instructions on how to pay the remaining balance of the patient's debt.

(d) The health facilities commission shall promulgate rules to establish a process for facilities that accept public funds to use to offset uncompensated care losses to ensure that the facility maximizes the number of patients with outstanding debt that is designated as satisfied pursuant to subsection (b). The rules must be promulgated in

accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(e) A facility that violates this section is subject to sanctions by the health facilities commission.

SECTION 2. Tennessee Code Annotated, Section 68-1-109, is amended by adding the following as a new subsection:

( ) The department of health, in collaboration with the division of TennCare, shall submit an annual report to the general assembly no later than January 15, 2026, and by each January 15 thereafter, that includes, but is not limited to, a report on all expenditures in the previous calendar year for virtual disproportionate share hospital (DSH) payments and for payments to hospitals for uncompensated care to charity patients with all of those payments being made in accordance with, and as those categories of payments are defined in, the TennCare 1115 demonstration waiver from the federal centers for medicare and medicaid services.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.