

The House Special Committee on Access to Quality Health Care offers the following substitute to HB 542:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to the
2 care and protection of indigent and elderly patients, so as to provide for the establishment of
3 a pilot program to conduct a simulated exchange for health care facilities to purchase and sell
4 charity care credits to meet their charity care requirements; to provide for definitions; to
5 provide for the design of the simulated exchange; to provide for a report; to provide for
6 penalties; to provide for automatic repeal; to provide for related matters; to repeal conflicting
7 laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to the care and
11 protection of indigent and elderly patients, is amended by adding a new article to read as
12 follows:

13 "ARTICLE 11

14 31-8-320.

15 As used in this article, the term:

16 (1) 'Charity care credit' means a value computed for uncompensated indigent or charity
17 care based on 150 percent of Medicaid allowable costs.

18 (2) 'Charity care floor' means the annual amount of uncompensated indigent or charity
19 care required for a health care facility based on its pro rata amount of total state charitable
20 care, or for health care facilities that are a part of a health system, the total annual amount
21 of uncompensated indigent or charity care required for all health care facilities within the
22 health system based on a pro rata amount of total state charitable care.

23 (3) 'Charity care income threshold' means a maximum allowable family income of up to
24 200 percent of the federal poverty level to qualify for charity care.

- 25 (4) 'Department' means the Department of Community Health.
- 26 (5) 'Health care facility' means a health care facility, as defined in Code Section 31-6-2,
 27 in this state requiring a certificate of need and includes ambulatory surgical centers and
 28 imaging centers, whether or not exempt from obtaining a certificate of need under
 29 Chapter 6 of this title.
- 30 (6) 'Total state charitable care' means the annual amount of uncompensated indigent or
 31 charity care provided by all health care facilities in this state based on the charity care
 32 income threshold.
- 33 (7) 'Uncompensated indigent or charity care' means the dollar amount of 'net
 34 uncompensated indigent or charity care after direct and indirect (all) compensation' as
 35 defined by, and calculated in accordance with, the department's Hospital Financial Survey
 36 and related instructions.
- 37 31-8-321.
- 38 (a) The department shall conduct a pilot program to examine the potential use of a
 39 regulated pool of charity care credits through a simulated charity care exchange.
- 40 (b) The simulated exchange shall include:
- 41 (1) The computation of each health care facility's charity care floor based on its pro rata
 42 amount of total state charitable care, to be calculated no later than February 28, 2021;
- 43 (2) The computation of the value of charity care credits, which may vary based on
 44 services provided, groups of services provided, type of health care facility, or other
 45 factors as determined by the department; provided, however, that charity care value shall
 46 not include bad debt; and
- 47 (3) A system of tradeable credits to enable health care facilities that have exceeded their
 48 charity care floor to sell charity care credits through the simulated exchange in return for
 49 funding and to enable health care facilities that do not meet their charity care floor to
 50 purchase such credits in order to meet their charity care floor.
- 51 (c) The simulated exchange shall be operational for the period from January 1, 2021,
 52 through December 31, 2021, and shall include two open auction periods when health care
 53 facilities may purchase or sell charity care credits. The first open auction shall be
 54 conducted no earlier than April 1, 2021, and the second open auction shall be conducted
 55 no later than December 1, 2021.
- 56 (d) The department may obtain advisement and consultation from experts as deemed
 57 necessary to design the simulated exchange, including but not limited to, areas such as
 58 economics, technology, medical financing, and accounting.

59 31-8-322.

60 The department shall provide a report no later than December 31, 2021, to the chairpersons
61 of the House Committee on Health and Human Services, the Senate Health and Human
62 Services Committee, the House Committee on Appropriations, and the Senate
63 Appropriations Committee. The report shall include:

64 (1) The total amount of charity care credits purchased and sold through the simulated
65 exchange;

66 (2) The effectiveness of the simulated exchange, including whether each health care
67 facility met its charity care floor requirements and the costs and benefits of using the
68 exchange; and

69 (3) Recommendations on the design and establishment of a permanent charity care
70 exchange, including recommendations on how it could be designed to improve its
71 operation based on the simulated exchange and how to adapt to market variations and
72 other economic factors.

73 31-8-323.

74 (a) Health care facilities shall be required to participate in the pilot program conducted
75 pursuant to this article.

76 (b) The department shall have the authority to impose a monetary penalty of up to
77 \$1,000.00 on any health care facility that does not participate in the exchange.

78 31-8-324.

79 This article shall stand repealed by operation of law on December 31, 2021."

80 **SECTION 2.**

81 All laws and parts of laws in conflict with this Act are repealed.