

SESSION OF 2026

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2736**

As Amended by House Committee on Insurance

**Brief\***

HB 2736, as amended, would require non-disproportionate share hospitals (hospital), using the process prescribed by the Kansas Department of Health and Environment, to screen all uninsured patients within 90 calendar days of discharge to determine if any charity care discounts or financial assistance eligibility would apply to the individual's account.

***Charity Care and Financial Eligibility Screening***

The bill would require that a hospital conduct a screening on all uninsured patients no later than 90 calendar days after discharge to determine if the uninsured patient would qualify for any charity care discounts or full-cost coverage before sending a bill to the patient. The bill would allow a qualified third-party vendor to conduct the screening.

***Definition***

The bill would define a "non-disproportionate share hospital" to mean a health care facility that does not meet the specific federal or state Medicaid or Medicare criteria for treating a high volume of low-income uninsured or Medicaid-eligible patients.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

### *Billing Statement Requirements*

The bill would also require that each billing statement include the following notices:

- Availability of financial assistance;
- Contact information for the office or department of the hospital that can provide information about obtaining financial assistance; and
- The direct internet address for the financial assistance policy.

### *Appeal Process*

The bill would allow a patient to appeal a hospital's adverse decision if the patient was screened for eligibility and was found ineligible or the patient disagrees with the amount of charity care discount.

### *Incorrect Determination*

The bill would provide a process for the hospital to follow if an incorrect determination regarding financial assistance or charity care is made by the hospital based upon information provided by the patient at the time of determination. The hospital would be required to do the following:

- Refund any amount paid by the patient that exceeds the actual amount owed; and
- Reimburse any other associated reasonable costs, such as legal expenses and fees, incurred by the patient in securing charity care.

The bill would require that if a hospital sold medical debt based on an incorrect determination to a collection agency or authorized a collection agency to collect such debt on behalf

of the hospital, the hospital shall notify the collection agency that such debt is invalid not later than 90 calendar days and take measure to ensure that the patient's credit report has been corrected.

#### *Medical Debt*

The bill would not allow a hospital to either garnish the wages of a patient or report or authorize a third-party debt collector to report medical financial information or debt to any credit bureau until the hospital verifies that the patient would not be eligible for the hospital's financial assistance program or charity care policy.

#### *Rules and Regulations*

The bill would require the Secretary of Health and Environment to adopt rules and regulations to establish the process for screening patients for eligibility for a hospital's financial assistance program and charity care.

#### **Background**

The bill was introduced by the House Committee on Insurance at the request of Representative Sutton.

#### ***House Committee on Insurance***

In the House Committee hearing, **proponent** testimony was provided by a representative of the Center for Medicine in the Public Interest, who stated generally that the bill would address a system failure in which hospitals do not ensure that patients are informed of, or screened for, financial assistance or charity care for which they may qualify.

Written-only proponent testimony was provided by representatives of the American Cancer Society Cancer Action Network and Blood Cancer United.

**Opponent** testimony was provided by representatives of the Kansas Hospital Association and Salina Regional Health Center, who expressed concerns regarding the administrative burden and privacy concerns related to screening every patient for financial assistance or charity care.

Written-only opponent testimony was provided by representatives of the Kansas Chamber of Commerce, Mountain Region of CommonSpirit Health, and the University of Kansas Health System.

No other testimony was provided.

The House Committee amended the bill to:

- Clarify the requirements of the bill would only apply to uninsured patients;
- Specify that a hospital could not garnish a patient's wages or authorize a third-party debt collector to report medical financial information or debt to any credit bureau;
- Allow a financial screening by a third-party vendor;
- Require that the financial screening occur not later than 90 calendar days after discharge;
- Include an appeal process;
- Clarify hospital requirements when an incorrect determination had been made;
- Require a hospital to take action regarding invalid debt not later than 90 calendar days and to take measures to ensure the patient's credit report had been corrected; and
- Define "non-disproportionate share hospital."

## **Fiscal Information**

According to the fiscal note prepared by the Division of Budget on the bill, as introduced, the Kansas Department of Health and Environment states enactment of the bill would increase State General Fund expenditures by \$140,974 in FY 2027. This cost would be related to six months of salary for 3.00 positions, which would be a Regulation Writer, Legal Reviewer, and Legal Assistant. Responsibilities would include properly engaging stakeholders, writing and revising regulations, engaging in statutorily required public comments and hearings, and publication in the *Kansas Register*. The agency states it would utilize existing vacant positions to fulfill the requirements of the bill.

The Kansas Department for Aging and Disability Services (KDADS) and the Kansas Office of Veterans Services do not anticipate a fiscal effect. KDADS indicated that state hospitals would be excluded. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

Health; health care; hospital billing; non-disproportionate share hospitals; uninsured; financial assistance; Kansas Department of Health and Environment; Secretary