

The Way Law Should Be Practiced

**Healthcare
Department**

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Healthcare Update

Charity Care Legislation Passes in Committee

After a five-hour debate on February 14, 2006, both The Tax-Exempt Hospital Responsibility Act and The Fair Billing and Collection Practices Act were passed in committee by two 6-5 votes at the Health Care Availability and Access Committee Hearing and will now be heard by the Illinois House of Representatives.

House Amendment No. 1 made the following changes to The Tax-Exempt Hospital Responsibility Act:

- Adds a definition of "Medicaid Inpatient Utilization Rate."
- Creates another exemption to the charity care requirements for a "safety net hospital," defined as a *freestanding hospital, unaffiliated with a health system*, that has a Medicaid Inpatient Utilization Rate of 35% or greater. This is a significant threshold that many hospitals simply will not meet.
- Provides that the Attorney General shall develop a rule that would allow certain qualified tax-exempt hospitals to be exempt from the charity care requirements if the hospital can demonstrate that compliance with those provisions will jeopardize the continued operation of the hospital; provides that there is no limit on the number of times a hospital can secure this exemption.
- Changes the penalty provision from having the Attorney General's Office receive and use all penalty amounts for enforcement purposes to requiring the Attorney General to, on an annual basis, use any remaining funds for a charity care grant program.

The legal issues associated with the delivery of healthcare services have become substantially more complex. An evolving and complicated regulatory environment, new technologies and medical procedures, shifts in reimbursement programs, shrinking capital sources and market demands are just a few of the reasons why healthcare providers require specialized legal services.

Ungaretti & Harris' Healthcare Department remains devoted to meeting the changing needs of the healthcare industry. Our firm of 100-plus lawyers devotes a substantial portion of its firm-wide practice to the legal needs of healthcare providers and other related clients.

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