

"If there's one thing I could tell the hospital,
it's that no one chooses to go into medical debt.
We would avoid having this debt if we could."

Kittie, Patient at Asante in Southern Oregon



Presentation on Nonprofit Hospital Financial Assistance

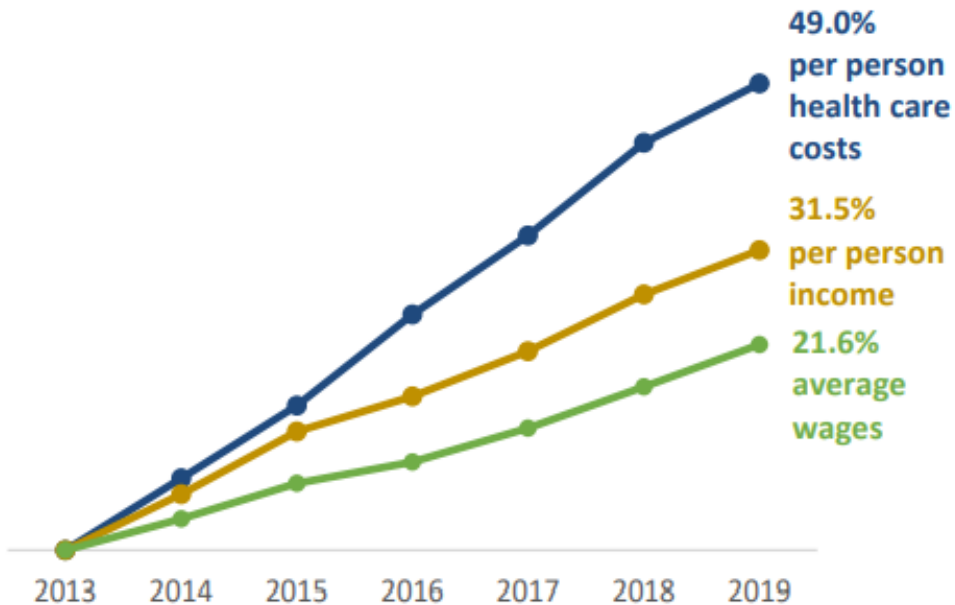
Senate Interim Committee on Health Care

Kirsten Isaacson, Research Director, SEIU Local 49

December 8, 2022

Rising Medical Costs, Rising Medical Debt

2013-2019: per person health care costs in Oregon grew faster than per person income and average wages



MEDICAL DEBT FAST FACTS

For those with medical debt:

Nearly 2 in 3 put off or **postpone getting healthcare** they need because of the cost.



About 1 in 5 **don't expect to ever be able to pay it off.**



More than 4 in 10 say they or a household member have **used up all or most of their savings.**




About 1 in 7 have been **threatened with a lawsuit or arrest.**



ORS Chapters 442 and 646A Require Nonprofit Hospitals & Clinics to Provide:


Complete bill forgiveness for patients earning up to 200% of the federal poverty level;



Partial bill forgiveness for those earning up to up to 400% of the federal poverty level;



Financial assistance screenings to patients before they are sent to collections; and



Limits on the interest rates that can be charged on medical debt.

STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,
Plaintiff,

NO.

COMPLAINT FOR INJUNCTIVE
AND OTHER RELIEF UNDER
CONSUMER PROTECTION
RCW 19.86

Providence hospitals sued by WA AG
over 'collection tactics,' allegedly
failing to provide charity care

Feb. 24, 2022 at 11:52 am | Updated Feb. 24, 2022 c
The Seattle Times

v.

PROVIDENCE HEALTH
WASHINGTON; SWEDISH
SERVICES; SWEDISH
KADLEC REGIONAL
CENTER,

Washington AG sues Providence,
Swedish hospitals for failing to
ensure patients receive charity care



Washington State Attorney
General Adds Collection
Agencies to Providence-Swedish
Hospital Lawsuit

The Chronicle
Division of CT Publishing

Lawsuit: Everett hospital hid
'charity care' in the fine print
State law requires hospitals to absorb costs for the poorest patients. It
might as well have been a secret, advocates say.

HeraldNet
EVERETT, WASHINGTON



SHORTCHANGED

How hospital financial assistance practices and policies fail Oregon patients with the greatest need

SEIU LOCAL 49 | OCTOBER 2022

PORTLAND BUSINESS JOURNAL

Health Care

SEIU blasts Oregon hospitals' billing practices for harming the poor



THE LUND REPORT

Oregon's most vital source of health news

SEIU Questions Hospital Billing Practices

WILLAMETTE WEEK

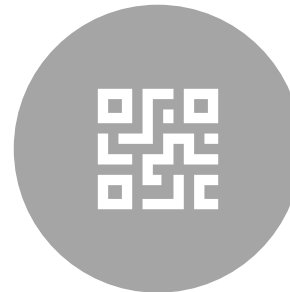
Critics Say 2019 Law to Ensure Hospitals Provide Adequate Charity Care Isn't Working

SEIU wants nonprofits to uphold their end of the bargain that exempts them from income and property taxes.

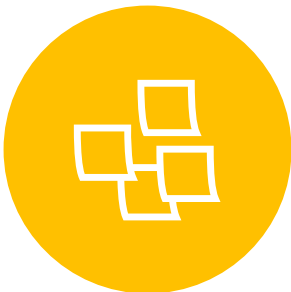
SHORTCHANGED: Main Findings



Making information about financial assistance difficult for patients to find and understand.



Making the application process unnecessarily complex.



Demanding applicants provide information about assets, despite the law being clear that household income is the only criteria.



Demanding patients complete detailed applications, despite having the information to determine eligibility.



Making information about financial assistance difficult to find and understand

PROVIDENCE
Health & Services

[Find a Doctor](#) [Locations](#) [Services](#) [Get Care](#)

[Home](#) / [Providence Online Bill Payment](#) / [Oregon](#)

Bill Pay & Financial Assistance: Oregon

What would you like to do?

Medical Bill Pay

Pay a bill for care received at a hospital, Providence facility or service.

[Pay your medical bill](#)

Premium Payment

Pay your Providence Health Plan or Providence Health Assurance plan premium, or activate your new Providence Health Plan policy.

[Make a health plan payment](#)

Screenshot of Providence's website; Retrieved September 2022.



4.29 Another scenario from this training involves registering a patient at their bedside in the emergency department and requesting payment of a \$275 copay. In this scenario, the patient responds: “I thought that you guys were nonprofit.” The training materials direct staff members to respond to as follows:

We are a nonprofit.

However, we want to inform our patients of their balances as soon as possible and help the hospital invest in patient care by reducing billing costs.

How would you like to take care of this **today**?

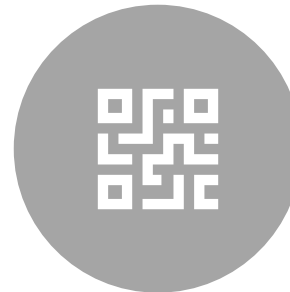
- If **unable** to pay in full, ask for a percentage/deposit amount.
- If **unable**, offer to document that they will pay in full when they receive the bill.
- If **unable**, offer to document that they would like to be contacted about a **6 months zero-interest payment plan**.

The training materials do not direct staff to provide any information about charity care in this scenario.

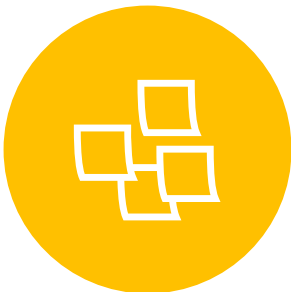
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8. ESTIMATED MONTHLY LIVING EXPENSES

Monthly Expense	Monthly Payment	Monthly Expense	Monthly Payment
Mortgage/Rent Payment	\$	Current Outstanding bill for Medical, Dental, or Prescriptions	\$
Property Taxes (if not include in mortgage payment	\$	Total Monthly Automobile Payment(s)	\$
Home Owners Insurance	\$	Automobile Insurance	\$
Utilities (Electricity, Gas, Water, Garbage, Recycling)	\$	Automobile Gas	\$
Food	\$	Liens/Wage Garnishments	\$
Telephone (Home and Cell)	\$	List all other monthly payments	\$
Child/Spousal Support	\$		\$
Child Care	\$		\$
Credit Cards	\$		\$
Health Insurance Premiums	\$		\$



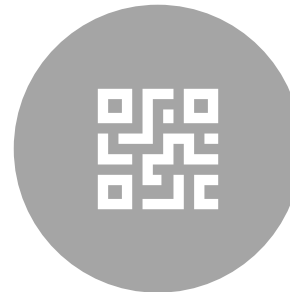
FINANCIAL ASSISTANCE APPLICATION

Retrieved from Asante.org on December 5, 2022.

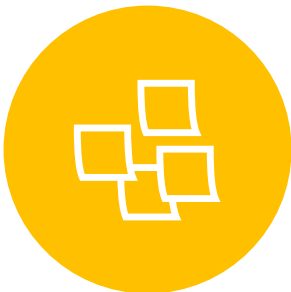
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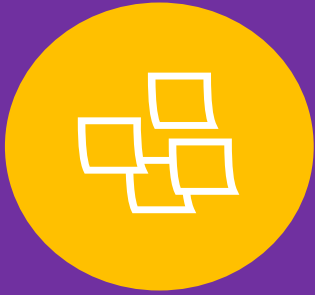
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Demanding patients complete detailed applications, despite having the information to determine eligibility.



Demanding applicants provide information about assets

- **Eight** out of **ten** health systems continued to ask patients about their assets, without making clear that this information is optional



ASSET INFORMATION

REMEMBER: You must include proof of assets with your application.

You must provide information on all assets owned by any family member. Asset verification is required to determine financial assistance.

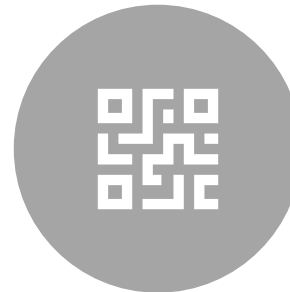
All family members 18 years old or older must disclose their available financial resources. Please provide proof for every identified asset source Examples of proof of income include:

Retrieved from www.sahpendleton.org on December 6, 2022.

SHORTCHANGED: Main Findings



Making information about financial assistance difficult for patients to find and understand.



Making the application process unnecessarily complex by having limited options for patients to submit applications, and burdensome application forms.



Demanding that applicants provide information about assets despite the law being clear that household income is the only criteria.



Demanding patients complete detailed applications, despite having the information to determine eligibility.



Demanding patients complete detailed applications, despite having the information to determine eligibility

“Hospitals have the power to prequalify low-income patients for charity care and never send a bill...Even among the hospitals that told the IRS they do prequalify people, many spent months chasing patients for payment before checking eligibility.”

- *Wall Street Journal, November 2022*

WSJ



Hospitals Often Don't Help Needy Patients, Even Those Who Qualify

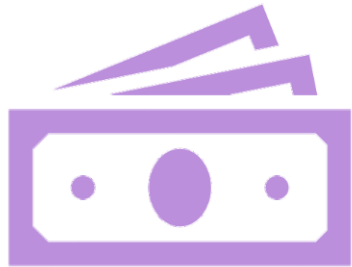
Some make getting aid hard, delay checking eligibility and press for payments that aren't refunded

Medical Debt: Oregon Fast Facts

- ▶ The median amount of medical debt in collections in Oregon is only \$600 dollars.
- ▶ In Oregon, communities of color have more than double the rate of in debt in collections, compared with white communities.
- ▶ National Consumer Law Center gives Oregon a D rating on protecting family finances from debt collectors.



Recommendations



Reform

Oregon's debt collection
statutes



Enforce

current financial assistance
laws



Improve

financial assistance law to
make more accessible

Questions & Additional Resources

Additional Resources:

- *SHORTCHANGED: How hospital financial assistance practices and policies fail Oregon patients with the greatest need – Act Now For a Healthy Oregon*
- *They Were Entitled to Free Care. Hospitals Hounded Them to Pay. – The New York Times*
- *Hospitals Often Don't Help Needy Patients, Even Those Who Qualify – Wall Street Journal*
- *The Racial Health and Wealth Gap – National Consumer Law Center*