



**DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL**

DATE: March 22, 2023

TO: Representative Rob Nosse, Chair
House Committee on Behavioral Health and Health Care

FROM: Kate Denison, Deputy Legislative Director
Oregon Department of Justice

SUBJECT: House Bill 3320 – Strengthening Charity Care Protections

This testimony is presented in support of HB 3320.

Many Americans cannot afford to pay the high cost of medical care, and unpaid medical debts may eventually end up in collections and on consumers' credit reports. Both Oregon law and the federal Affordable Care Act require nonprofit hospitals to have financial assistance policies for those who need healthcare but are unable to afford those costs. This is often referred to as "charity care."

Oregon's financial assistance laws are found in ORS 442.601-.630 and ORS 646A.677. These provisions require nonprofit hospitals to screen every patient before sending them to a third-party debt collector, and before sending them to collections. They also must provide their financial assistance policy and an application upon request. (*See* 646A.677). But until that point, they do not have to do either unless a patient asks them to, and most patients are not aware of their rights.

Despite these requirements, a recent Oregon Health Authority report on implementation of Oregon's charity care requirements found evidence that not all hospitals are appropriately screening patients for eligibility for charity care before sending them to collections. The same report suggested many hospitals improperly requested asset information even though financial assistance is based on income and not assets.¹

Even though many low-income consumers are eligible to receive financial assistance, a large percentage of consumers with low incomes have medical collections on their credit reports. Nonprofit hospitals must provide financial assistance and other community benefits in exchange for the significant tax benefits they receive, yet data suggests that many consumers do not receive

¹ https://www.oregon.gov/oha/HPA/ANALYTICS/HospitalReporting/HB-3076-Comm-Benefit-Leg-Report.pdf?utm_medium=email&utm_source=govdelivery

the financial assistance they need and for which they qualify.² Oregon should strengthen the law to ensure that low-income Oregonians receive the financial assistance nonprofit hospitals are already required by law to provide.

The Department of Justice strongly supports this bill.

Contact:

Kate Denison, Deputy Legislative Director, 971-599-9851, kate.e.denison@doj.state.or.us

Kimberly McCullough, Legislative Director, 503-931-0418, kimberly.mccullough@doj.state.or.us

² <https://www.consumerfinance.gov/about-us/blog/exploring-connection-between-financial-assistance-for-medical-care-and-medical-collections/>