

Oregon HB 4040

Public Statement

Dear Chair Nosse, Vice Chairs Diehl and Nelson, and the members of the House Interim Committee on Health Care:

Thank you for giving Dollar For the opportunity to submit this comment on HB 4040. Dollar For is a 501(c)(3) not-for-profit patient advocate organization that helps patients access hospital charity care. Our team of dedicated patient advocates have helped approximately 40,000 patients apply for and receive hospital charity care, resulting in over \$125 million in hospital debt forgiven. We maintain a database of every hospital charity care policy in the country, and have countless hours of first-hand experience applying for charity care and interfacing directly with hospital charity care department staff. We make this comment against the proposed changes to Oregon charity care law in Section 1 of HB 4040.

Section 1 of HB 4040 critically and negatively changes one of Oregon's most successful policies to reduce debt and poverty in recent history. Since July 1, 2024, hospitals have been required to screen every patient for charity care who would owe the hospital an out-of-pocket amount of \$500 or more after insurance. Section 1 of HB 4040 would increase the screening threshold to an out-of-pocket amount of \$1,500 *per single hospital encounter*. If passed, this will gut the effectiveness of hospital charity care programs across the state.

HB 3320 was passed in 2023 to overhaul how patients access charity care because most eligible patients were not receiving it. In fact, Dollar For research estimates that only 29% of eligible patients received charity care before HB 3320 took effect.¹ When patients do not receive charity care and their bill goes into bad debt it often ends up in collections and can result in wage garnishment or even bankruptcy.

We surveyed patients and held focus groups to understand why so many patients were falling through the cracks. We learned that 51% of patients who were eligible for charity care simply did not apply.² The

¹ <https://dollarfor.org/the-path-to-charity-care/>

² <https://dollarfor.org/the-path-to-charity-care/>

overwhelming reason for this was they did not know charity care was an option. A large minority of patients who did know about charity care misunderstood the program – often confusing it with a payment plan or a government program akin to Medicaid.³ However, we also uncovered other issues with charity care programs under the pre-HB 3320 model. For example, nearly 1 in 4 patients described the application process as hard, 14% of applications were never even responded to by the hospital, and black patients had a 62% lower probability of being approved for charity care than all other races.⁴ The pre-HB 3320 charity care model was filled with confusion, inefficiencies, and mistakes leading to hundreds of thousands of Oregon patients with unnecessary and pointless debt. All of these problems were addressed by HB 3320. Instead of requiring patients to learn about, apply for, and advocate for themselves to receive charity care, it simply required the hospital to screen every patient who met certain criteria.

HB 3320 took effect July 1, 2024. The Oregon Health Authority has released data that shows how the first year of implementation went. This data shows a massive increase in charity care giving, the vast majority of which came from bad debt. Hospital revenue seems completely unaffected. Attached are charts released by the Oregon Health Authority that show the relationship of charity care to bad debt and to hospital revenue across all hospital types in Oregon. Attachment 1 shows the relationship of charity care to bad debt. As you can see, when HB 3320 took effect charity care grants increased, and there was a near in-kind decrease in bad debt. However, as can be seen in Attachment 2, when charity care increased, it did not affect revenue in any way. The take-away is that the current policy has led to a massive reduction in medical debt but has not harmed hospital revenue.

We understand that hospitals are heading into very uncertain times. Reductions to Medicaid funding and rising rates of uninsured Oregonians will certainly affect hospitals. However, the data is clear that the increases in charity care that are a direct result of HB 3320 have not and will not hurt hospitals financially. The overwhelming majority of charity care that hospitals grant would otherwise have ended up as bad debt. If this proposed change

³ <https://dollarfor.org/the-path-to-charity-care/>

⁴ <https://dollarfor.org/the-path-to-charity-care/>

passes, it will do nothing to help struggling hospitals, and it will ensure Oregon patients end up back on debt collection dockets.

Please do not hesitate to contact me at eli@dollarfor.org with any questions.

Very best,

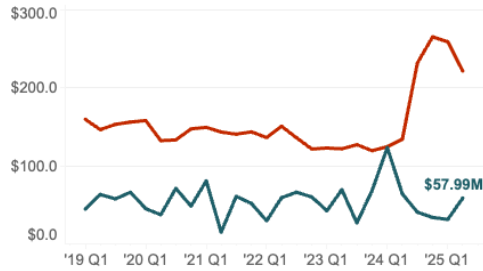
A handwritten signature in black ink, appearing to read 'Eli M'.

Eli Rushbanks

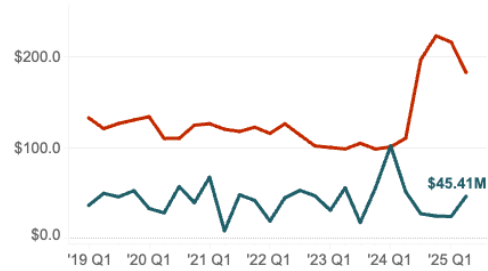
Dollar For - General Counsel & Director of Policy Advocacy

ATTACHMENT 1

Statewide Hospitals
Bad Debt & Charity Care
(\$ in millions)



DRG Hospitals
All
(\$ in millions)

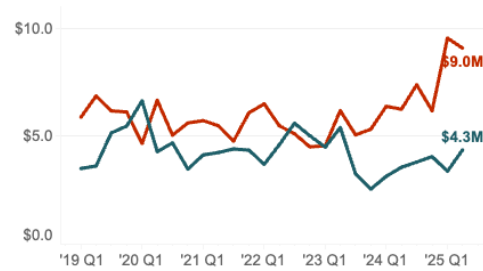


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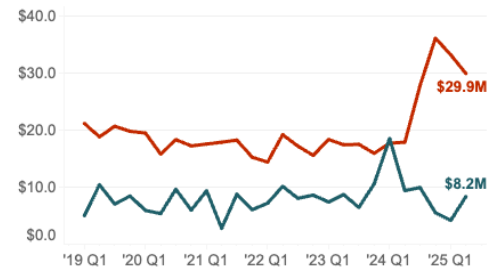
Select metric
(Multiple values)

Highlight selected metric
■ Bad Debt
■ Charity Care

Type A Hospitals
All
(\$ in millions)



Type B Hospitals
All
(\$ in millions)

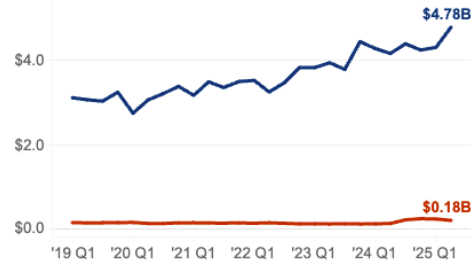


ATTACHMENT 2

Statewide Hospitals
Charity Care & Total Revenue
(\$ in billions)



DRG Hospitals
All
(\$ in billions)



Select date range

(Multiple values) ▼

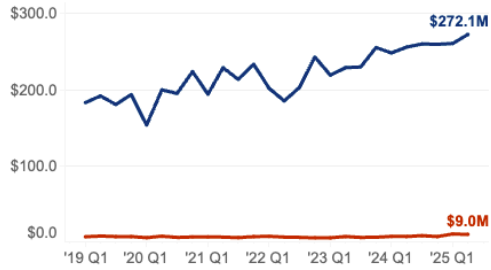
Select metric

(Multiple values) ▼

Highlight selected metric

Charity Care
Total Revenue

Type A Hospitals
All
(\$ in millions)



Type B Hospitals
All
(\$ in millions)

