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Empire Justice Center ☞ Hispanic Federation ☞ The Legal Aid Society ☞ Make the Road New York
Medicare Rights Center ☞ Metro New York Health Care for All Campaign ☞ New Yorkers for Accessible Health
Coverage ☞ New York Immigration Coalition ☞ Project CHARGE
Public Policy and Education Fund of New York/Citizen Action of New York ☞ Raising Women's Voices-New York
☞ Schuyler Center for Analysis and Advocacy ☞ South Asian Council for Social Services ☞ Young Invincibles

**Memorandum in Support of A3470A/S2521A
The Patient Medical Debt Protection Act
February 2021**

An Act to amend the public health, insurance, and civil procedure law to protect New Yorkers from unfair medical bills

Health Care for All New York (HCFANY) is a statewide coalition of over 170 consumer-focused organizations dedicated to achieving quality, affordable health coverage for all New Yorkers, and ensuring that the concerns of real New Yorkers are heard and reflected in policy conversations. We support the **Patient Medical Debt Protection Act (A3470A/S2521A)**, which would provide critical protection for patients who are managing medical bills and debt.

Patients have more direct responsibility for medical bills than ever because of high deductibles and cost-sharing but have little control over the services they receive. More than a third of New Yorkers are dealing with serious financial repercussions because of medical bills, including racking up credit card debt, using up most or all of their savings, or being put into collections.¹ A third of consumers report paying medical bills they were not sure they really owed because they did not know how to fight them.²

To make matters worse, two reports by the Community Service Society of New York reveal that New York's non-profit, charitable, hospitals have sued over 50,000 patients in the past five years—4,000 of whom were sued since the beginning of the COVID-19 pandemic.³ The median amount of these lawsuits is just \$1,900 and do little to stabilize any hospital's finances. Meanwhile, these nuisance lawsuits do everything to ruin patients' lives and economic security.

New Yorkers deserve basic consumer protections when it comes to medical bills. **A3470A/S2521A** would require hospitals to send bills in a timely manner and clearly list the services associated with each charge. It would reduce the statute of limitations on medical debt from

¹ Altarum Healthcare Value Hub, "New Yorkers Struggle to Afford High Healthcare Costs; Support a Range of Government Solutions Across Party Lines," Data Brief No. 37, March 2019, <https://www.healthcarevaluehub.org/advocate-resources/publications/new-yorkers-struggle-afford-high-healthcare-costs-support-range-government-solutions-across-party-lines/>.

² Penelope Wang, "Sick of Confusing Medical Bills?" Consumer Reports, August 1, 2018, <https://www.consumerreports.org/medical-billing/sick-of-confusing-medical-bills/>.

³ Community Service Society of NY, *Discharged Into Debt*, (March 2020) & *Discharged Into Debt: A Pandemic Update* (January 2021). See also, *One Hospital System Sued 2,500 Patients After Pandemic Hit*, New York Times, January 5, 2021.



six years to two so that patients have a better chance of defending themselves in court, and limit the interest rate that providers can add to medical debt. The bill would improve surprise bill protections so that patients are held harmless when using a provider that their plan or the provider has said is in-network. It would prevent patients from being charged facility fees, which are similar to the concierge fees added onto hotel bills with no relationship to services actually received. The bill would also improve New York's financial assistance law and comply with the state's All-Payer Database so that patients can easily get financial assistance and get better information about the costs of their medical care. Finally, the bill would require providers to use standard financial liability forms so that consumers could more easily understand their financial obligations when seeking medical care.

New Yorkers cannot afford the bills that result from these out-of-control medical billing practices. New York's medical providers should not and cannot support themselves by nickeling and diming patients.

For these reasons, HCFANY strongly urges the enactment of the Patient Medical Debt Protection Act (A3470A/S2521A).