

END MEDICAL DEBT CAMPAIGN

February 1, 2021

Dear Legislator,

The undersigned organizations represent the full diversity of New York's healthcare consumers—children, seniors, students, immigrants, women, people of color, people who are lesbian, gay, bisexual, transgender, people with disabilities, parents, and people of all incomes. We strongly urge you to sponsor the Patient Medical Debt Protection Act (S2521/A3470) to relieve patients of the unfair burden of medical debt in New York. This burden has resulted in over 45,000 lawsuits filed against patients by New York's charitable hospitals in the past five years, including 4,000 filed during the pandemic.¹ As reported recently in the *New York Times*, some the patients being sued are low- and middle-income workers who have become unemployed or ill during the pandemic.²

This is occurring for several reasons. Healthcare prices are skyrocketing at a faster pace than inflation—especially inpatient prices, which grew twice as much in New York (32%) as nationally (16%).³ New Yorkers' wages and benefits cannot keep up. Desperate to control costs, both employers and consumers are buying high deductible plans, further shifting the costs of healthcare to consumers who cannot afford it. To make matters worse, patients are bombarded with confusing and conflicting bills.

Lawsuits are just the most extreme outcome New Yorkers face when they cannot afford medical care. A 2019 poll found that 16 percent of New York adults surveyed had to take out loans or racked up credit card debt to pay for medical care, 15 percent had used up all or most of their savings, and 12 percent had been put into collections.⁴ People of color are disproportionately impacted by affordability burdens and their negative repercussions.⁵ In another consumer survey, one-third of respondents said they had paid bills they did not owe.⁶ The reasons they gave for paying bills they might not owe included: the bills were too confusing, they did not think they could win against providers, and they were afraid not paying would ruin their credit score. Consumers are increasingly frustrated with medical stakeholders—holding hospitals, insurance carriers and pharmaceutical companies responsible for out-of-control costs.⁷

We all represent New York's patients and hear their medical debt stories. We ask you to sponsor the Patient Medical Debt Protection Act (S2521/A3470) which would:

- Require hospitals to issue one consolidated, itemized bill for all the fees incurred during a single visit, written in plain language, delivered within seven days.
- Reduce the maximum interest rate from 9% to the U.S. Treasury Rate (around 1%).
- Hold patients harmless for surprise bills that result from provider and plan misinformation.
- Ban facility fees that are unreimbursed by insurance and hold patients harmless for the payment of these fees.
- Mandate the use of a uniform hospital financial aid form for uninsured patients and modernize New York's financial assistance eligibility rules to be consistent with the Affordable Care Act.
- Standardize patient financial liability waiver forms.
- Require hospitals to allow insurance carriers to report cost data to the state and allow patients to easily compare prices on common procedures.

Thank you for your support and work to protect patients from unfair medical debt.

For more information you can contact Amanda Dunker at 212-614-5312 or adunker@cssny.org



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¹ Elisabeth Benjamin and Amanda Dunker, “Discharged Into Debt: New York’s Non Profit Hospitals Are Suing Patients, Community Service Society of New York, March 2020, <https://www.cssny.org/publications/entry/discharged-into-debt> and “Discharged Into Debt: A Pandemic Update,” January 2021, <https://www.cssny.org/publications/entry/discharged-into-debt-a-pandemic-update>.

² Brian Rosenthal, “One Hospital System Sued 2,500 Patients After Pandemic Hit,” The New York Times, January 5, 2021, <https://www.nytimes.com/2021/01/05/nyregion/coronavirus-medical-debt-hospitals.html>.

³ Health Care Cost Institute and New York State Health Foundation, “Health Care Spending, Prices, and Utilization for Employer-Sponsored Insurance in New York,” July 2019, available at <https://nyshealthfoundation.org/2019/07/30/health-care-spending-in-new-york-growing-faster-than-rest-of-u-s/>.

⁴ 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/>.

⁵ Elisabeth Benjamin and Amanda Dunker, “How Structural Inequalities in New York’s Health Care System Exacerbate Health Disparities During the COVID-19 Pandemic: A Call for Equitable Reform,” Community Service Society of New York, June 2020, <https://www.cssny.org/publications/entry/how-structural-inequalities-in-new-yorks-health-care-system-exacerbate-heal>.

⁶ Penelope Wang, “Sick of Confusing Medical Bills?” Consumer Reports, August 1, 2018, <https://www.consumerreports.org/medical-billing/sick-of-confusing-medical-bills/>.

⁷ 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/>.