



Medicare-Related Medical Debt

Medical debt refers to debts incurred due to health care expenses. According a [Kaiser Family Foundation survey](#), about a quarter of U.S. adults ages 18-64 say they or someone in their household had problems paying medical bills. [Older adults also struggle with out-of-pocket health care costs](#), even with Medicare, Medicaid, and other insurance. Individuals with debts are forced to make tough decisions that impact their health and financial wellbeing.

There are a few ways that Medicare beneficiaries might incur medical debts:

- **Skilled nursing facility (SNF) care**
 - Medicare covers up to 100 days of care in a SNF each [benefit period](#). Beneficiaries that need more than 100 days of SNF care in a benefit period will need to pay out of pocket. Individuals who remain in a SNF after they run out of days may incur high health care costs.
- **Ambulance services**
 - Medicare covers emergency ambulance services and, in limited cases, non-emergency ambulance services. In either case, use of an ambulance must meet [certain eligibility requirements for coverage](#). Beneficiaries who use an ambulance without meeting these requirements may be responsible for the full cost.
- **Excluded services**
 - Medicare does not cover all health care services. Services excluded from Medicare coverage include but are not limited to long-term care, most care received outside of the U.S., and most dental care. Beneficiaries who need these services sometimes receive them without realizing that they are responsible for the full cost of care.
- **Service denials**
 - Medicare may deny coverage for a health services or items. Typically, an individual receives a denial if their plan determines that the care was not medically necessary, or they didn't follow the plan's coverage rules. Beneficiaries may appeal denials. However, unsuccessful appeals or failure to appeal may mean that the individual is responsible for the full cost of their care.

- **Improper billing**

- Improper billing refers to a provider inappropriately billing a beneficiary. Medicare participating providers are only allowed to bill for the Medicare-approved. Non-participating providers may bill up to 5% more for most services in New York.

People with medical debt or at risk of taking on debt may forgo necessary care because they are afraid of the financial consequences.

Steps for Avoiding Medical Debt

Individuals concerned they have inadvertently incurred high medical bills should start by checking their Medicare Summary Notice (MSN). The MSN is a summary of services and items an individual has received during the previous three months. They contain information about the charges billed to Medicare, the amount that Medicare paid, and the amount the beneficiary is responsible for. The MSN also shows any non-covered charges.

With this information, people can anticipate bills and identify errors. For example, federal law prohibits Medicare providers from billing people enrolled in the Qualified Medicare Beneficiary (QMB) program for any Medicare cost-sharing (deductibles, coinsurance, copayments). This means if a beneficiary has QMB and Original Medicare, they should not be billed when receiving a Medicare-covered service from either a participating or non-participating provider.

Individuals who have questions about Medicare-related bills and medical debt should contact the Medicare Rights Center at 800-333-4114.

Options for Low-Cost Care

Individuals in need of reduced cost health services should learn what options are available in their community.

- There are hundreds of government-funded health centers that provide medical care regardless of an individual's ability to pay. These clinics are generally run by the Human Resources and Services Administration (HRSA). They may be referred to as HRSA Health Centers, Federally Qualified Health Centers (FQHCs), Migrant Health Centers, etc.
- The [Hill Burton Program](#) offers free or reduced cost care at Hill-Burton facilities. Most states have the Hill-Burton program. Each facility chooses which services it will provide, and at what cost (if any). To contact the Hill Burton facility serving New Yorkers, call 800-638-0742.
- Reduced-cost or free dental clinics are available in many states. Beneficiaries in need of dental care may also consider donated dental service programs or dental schools.
- Charity care programs may be available for individuals who need help paying for certain services or prescriptions.

About HCFANY

Health Care for All New York (HCFANY) is a statewide coalition of 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.

Over 52,000 patients were sued by New York's hospitals, all of which are non-profit charities, between 2015 and 2020. Additionally, six percent of New Yorkers have been put into collections over unpaid medical bills, ranging from 3 percent in New York County to 27 percent in Chemung County.¹ New York should do the following to protect patients from unfair medical debt:

- Fund consumer assistance programs so that patients have help managing erroneous bills and service denials;
- Cap interest rates on consumer debt judgments, which includes medical debt and is currently 9 percent;
- Bar health care providers from placing liens on patients' homes or garnishing their wages over medical debt judgments;
- Ban facility fees, which are hospital overhead charges that are sometimes applied even for outpatient services provided by hospital affiliates, for preventive care like mammograms; and
- Ensure eligible patients can access hospital financial assistance by creating a standard application for use at all hospitals, eliminating the 90-day deadline by which patients must locate the application and apply, and changing the income guidelines for eligibility so that they match other health care programs.

To learn more about HCFANY's policy agenda, please visit our [website](#).

¹ Urban Institute, "Debt in America: An Interactive Map," accessed 30 Sept. 2021 at <https://apps.urban.org/features/debt-interactive-map/>.