



# How Medical Debt Impacts LGBTQ+ People in New York

Diana Zheng, Outreach and Engagement Coordinator,  
Raising Women's Voices – NY

## OVERVIEW OF THE ISSUE

This issue brief is part of a four-part series investigating how medical debt affects different populations in New York: women, members of the LGBTQ community, immigrants, and people with disabilities. Medical debt is a major problem for all New Yorkers. One survey found that over half of New Yorkers reported experiencing problems paying medical bills in the previous 12 months, and more than 75 percent are worried about being able to afford health care in the future.<sup>1</sup> A reported 13 percent of New Yorkers have been unable to pay for other necessities—such as food, housing, or heat—because of medical debt.<sup>2</sup> Over 52,000 have been sued by hospitals since 2015, and thousands have had liens placed on their homes or their wages garnished.<sup>3</sup> Six percent of all New Yorkers have been reported to credit agencies for past-due medical debt, but in some counties, this has happened to as many as 23% of residents.<sup>4</sup>

In 2021, HCFANY conducted focus groups to learn more about how different populations in New York experience this issue. In this issue brief, HCFANY explores how medical debt affects LGBTQ+ people.

## LGBTQ+ PEOPLE AND MEDICAL DEBT

Data collection for LGBTQ+ populations has historically been lacking, so there is little data measuring the direct impact of high medical costs on LGBTQ+ New Yorkers. However, LGBTQ+ communities face challenges when navigating the health care system that are more likely to result in debt. For example, LGBTQ+ adults are more likely to lack coverage and access to affordable health care.<sup>5</sup> While state law prohibits the arbitrary denial of gender-affirming health care, such as hormone therapy or surgery, insurance companies that do not fall under the jurisdiction of the NYS Department of Financial Services (DFS) (e.g. self-insured plans) are not obligated to cover such care.<sup>6</sup> These coverage obstacles have forced many transgender people to turn to potentially risky solutions, such as hormone sharing or purchasing “gray market” hormones, which come from unregulated sellers.<sup>7</sup> These factors are major drivers of medical debt for LGBTQ+ people, and cause harm to the financial and physical wellbeing of the New York LGBTQ+ community.

### Focus Group Description

To learn more about this issue, we spoke with seven LGBTQ+ people in January 2021 for a focus group on medical debt and its impact on New Yorkers. The participants were from the Rochester and New York City metro areas, and their ages ranged from 26 to 66. Some of our key findings are explored below.

## KEY FINDINGS

### 1. LGBTQ+ people, particularly those who are transgender or non-binary, are often denied coverage for gender-affirming care.

Transgender and gender non-binary focus group participants indicated that their insurance plans usually deny coverage for gender-affirming care, even though plans usually cover those same procedures when used to treat other health problems in cis-gendered patients. For example, Violet, a 27-year-old transgender woman from Rochester, was denied coverage for hormone therapy, even though the same medication is covered for patients undergoing prostate cancer treatment. A 32-year-old non-binary health care provider from Rochester has had similar experiences, both personally and through their patients. “Some providers are not educating their patients on how expensive [gender-affirming care] is going to be,” they explained. “[Prescription medication] can be over \$600 [a month], and they’re expected to pay that out-of-pocket. It’s pretty common that if were for a cis-gendered person, it would have been covered.”

**Ryan (32)**  
*regarding coverage for gender-affirming health care*

“[Transgender and non-binary people] are expected to pay [for gender-affirming care] out of pocket. It can be incredibly difficult. It’s pretty common that if [the procedure or medication] were for a cis-gendered person, it would have been covered.”

### 2. LGBTQ+ people want more transparent, easier-to-understand medical bills.

Many of our focus group participants have difficulty understanding their medical bills, which often include technical jargon and abbreviations. “Pretty much every medical bill I’ve ever gotten has been completely confusing to me,” said Violet. “I’ve just had to take it on faith that my doctor [is billing me correctly].” Focus group participants indicated that they wished medical bills included plain-language explanations for each of the charges.

Participants also reported that following a medical procedure, they usually receive multiple bills for the same procedure, sometimes sent months apart. Because these bills usually come from different hospital departments or agencies, patients often have difficulty figuring out exactly how much and to whom they owe money. For example, Wanda, a 41-year-old woman from Ontario County, received two bills following an endoscopy. She was able to pay the second bill without a problem, but she could not figure out who sent her the first, more expensive bill. The bill listed contact information for the hospital billing office, so she reached out to them for answers. “When I took [the bill] to the hospital billing office, they said it wasn’t [from] them,” she explained “They said I had to call another company to take care of the bill [and] gave me a different number to call. But when I called [the other company], they said they never sent the first bill.” Wanda never figured out who sent her the bill, and because of this, has not been able to pay it. “I’m worried that the next time I go [to that hospital], they will not see me because of this [outstanding bill].”

### 3. LGBTQ+ people are still receiving surprise bills that they should be protected from under New York's Surprise Bill Law.

Our focus group found that patients are still receiving surprise medical bills for which they should legally be held harmless. Because many patients are unaware of the protections they are entitled to under the Surprise Bill Law, they are unable to advocate for themselves against these charges. Tess, 26-year-old focus group participant from Rochester received a \$1,000 out-of-network anesthesiologist bill following back surgery, even though they were at an in-network hospital and had no way of knowing the anesthesiologist would be out-of-network. Another 28-year-old participant, also from Rochester, was refused coverage for lab work that their provider sent without their knowledge to an out-of-network

laboratory. The Surprise Bill Law expressly prohibits these types of surprise medical bills, yet the patients still had to pay out of their own pockets.

*Wanda (41, Ontario County)*

“[My provider] would not see me [for a follow-up appointment] before I paid [my outstanding bill]. I’m worried the next time I go [to see my provider], they will not see me because of it.”

Ryan, a 32-year old non-binary individual, received an MRI in July 2020. Before the appointment, Ryan did their due diligence and made sure that the provider was in network and that they received the required preauthorization from their health plan prior to the appointment. After the insurance company processed the claim, Ryan received a bill for \$700. They paid the entire amount out-of-pocket as part of their annual deductible, and assumed that was all they owed.

A few months later, Ryan was surprised to receive another bill for the MRI, this time for over \$2000. Confused, Ryan reached out to the hospital. “[I said] I already was charged for the MRI and paid what was billed to me,” they said. “[The hospital] got back to me and told me that it’s a separate charge.” In the meantime, Ryan received a third bill for the MRI – this time for \$4,000. “I’ve already paid \$700, and now they’re saying I

owe \$6,000,” Ryan said, puzzled as to why the hospital billed them so many times for the same procedure. “It’s been a nightmare.”

To add further confusion to the situation, it appeared that the hospital never submitted the last two claims to Ryan’s health insurance. “When I go on my insurance company [patient portal], they show the first bill, and everything being paid out appropriately,” they explained. “They’re not showing all these other charges that I’m getting from [the hospital] for the same service.” Ryan has also reached out to the hospital asking for a full explanation for these additional charges, but they never received a response. When we spoke to Ryan six months after the initial MRI, they were still appealing these bills, and was applying for charity care to help pay for the unexpected \$6,000 charges.

## RECOMMENDATIONS

### 1. Protect New Yorkers from unfair medical debt:

- Require health care providers to give patients a single, consolidated bill after each medical procedure that includes plain-language explanations for each of the charges.
- Close existing loopholes in the Surprise Bill Law so patients are better protected against surprise out-of-network medical bills.

### 2. Fund consumer assistance programs that can flag bills that fall under New York's surprise bill law and New Yorkers about existing NYS policies on coverage of gender-affirming care, which health plans do and do not have to comply with them, and how to appeal denials from New York-regulated insurers to the NYS Department of Financial Services.

*Violet Jane (27, Rochester),  
regarding navigating confusing bills:*

“Trying to contact [medical billing offices], I feel like a tennis ball being bounced between a bunch of different courts.... I'm also autistic and hard of hearing, so I have a really hard time on the phone with different people that I don't know and it becomes increasingly challenging, the more people I have to contact and keep track of to try to get the answers for my bills.”



Find us on Facebook  
& Twitter! @HCFANY  
www.hcfany.org

#### Notes

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. Elisabeth Benjamin, "Testimony of the Community Service Society of NY Before the New York City Council Committee on Hospitals and Health, October 15, 2021, <https://www.cssny.org/news/entry/testimony-hospital-costs-and-access-to-care>.
3. 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/>.
4. Charlton BM, Gordon AR, Reisner SL, et al, "Sexual orientation-related disparities in employment, health insurance, healthcare access and health-related quality of life: a cohort study of US male and female adolescents and young adults," *BMJ Open* 2018;8:e020418. doi:10.1136/bmjopen-2017-020418
5. New York State Department of Financial Services, "Insurance Circular Letter No. 13," June 2020, [https://www.dfs.ny.gov/industry\\_guidance/circular\\_letters/cl2020\\_13](https://www.dfs.ny.gov/industry_guidance/circular_letters/cl2020_13)
6. Kaiser Family Foundation, "Health and Access to Care and Coverage for Lesbian, Gay, Bisexual, and Transgender Individuals in the U.S." May 2018, <http://files.kff.org/attachment/Issue-Brief-Health-and-Access-to-Care-and-Coverage-for-LGBT-Individuals-in-the-US>
7. Lopez C, "People are sharing hormones on Google Docs and turning to 'gray market' pharmacies to get gender-affirming care during the pandemic, *Business Insider*. <https://www.insider.com/transgender-people-turn-to-grey-market-for-hormones-during-pandemic-2020-4>