Non-profit Hospitals would keep New Yorkers in debt for the rest of their lives

#ENDMEDICALDEBT

Under the current Hospital Financial Assistance Law (HFAL) over 80,000 New Yorkers have been sued for medical debt and 740,000 New Yorkers are burdened by medical debt. Modernizing the HFAL is a critical step toward eliminating medical debt; but the **Hospitals are advocating for regressive amendments to the HFAL that will leave New Yorkers in debt for the rest of their lives.**

All New York hospitals are nonprofit charities under state law. Hospitals receive billions of dollars in tax breaks and over $1 billion in Indigent Care Pool (ICP) funds to help cover their uncompensated care costs. In exchange for ICP funds, the hospitals must comply with the HFAL.

In contrast to the positive reforms proposed by the Executive Budget and S1366B|A6027A, the Hospitals want:

- **A miserly discount schedule that allows hospitals to choose between the Medicaid or Medicare rate:** charging patients making 200-300% FPL up to 75% of Medicaid or Medicare and patients making 300-400% FPL up to the full Medicaid or Medicare rate, at the hospital's discretion.
- **A bureaucratic asset test**, which has historically been difficult for hospitals to implement and adds an unnecessary barrier for patients to access financial assistance.
- **Maintaining never-ending payment plans**, that would leave many patients in medical debt for the rest of their lives.
- **Limiting the time to apply to financial assistance** to 8 months. There should be no limit for when New Yorkers are able to apply for financial assistance—insurance disputes last for years.
- **Not requiring hospitals to report** the race, ethnicity, gender, age, and insurance status of patients who apply for, receive, and are denied financial assistance.
- **Not requiring Hospital CFOs to attest that a patient has been deemed ineligible for financial assistance before filing a lawsuit against them.**

Join the fight to #EndMedical Debt: Include the provisions of the Ounce of Prevention Act (S1366B|A6027A) and the Stop SUNY Suing Bill (A8170|S7778) in the FY25 State Budget.

CSS

The #EndMedicalDebt Campaign is a project of the Community Service Society of New York.

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Under the Hospitals' proposal, a low-income patient who needs a Coronary Artery Bypass Graft and makes every monthly payment would be in medical debt for 80 years – or the rest of their life.

Table 1. The Hospitals' Proposed Discount Schedule*

		Appendectomy	Coronary Artery Bypass Graft
Under 200% FPL	Zero Charges	Zero Charges	Zero Charges
200-300% FPL	Up to 75% Medicaid or Medicare Rate	Medicaid: Up to $39,397, 66% of Annual Income, **13 years to pay off**	Medicaid: Up to $240,929, 402% of Annual Income, **80 years to pay off**
		Medicare: Up to $55,570, 93% of Annual Income, **19 years to pay off**	Medicare: Up to $201,616, 336% of Annual Income, **67 years to pay off**
300-400% FPL	Up to 100% Medicaid or Medicare Rate	Medicaid: Up to $52,530, 58% of Annual Income, **12 years to pay off**	Medicaid: Up to $321,239, 357% of Annual Income, **71 years to pay off**
		Medicare: Up to $74,093, 82% of Annual Income, **16 years to pay off**	Medicare: Up to $268,822, 299% of Annual Income, **60 years to pay off**

Table 2. #EndMedicalDebt Proposed Discount Schedule*

		Time-limited Repayment	Appendectomy	Coronary Artery Bypass Graft
Under 200% FPL	Zero Charges	n/a	Zero Charges	Zero Charges
200-400% FPL	Up to 10% Medicaid Rate	36 payments (3 years)	Up to $5,253	Up to $18,000
400-600% FPL	Up to 100% Medicaid Rate	60 payments (5 years)	Up to $45,000	Up to $45,000

Source: 2022 SPARCS Hospital Inpatient Discharges Mean Rate, 2023 FPL Ranges for a family of four
*The length of time to pay off is calculated by making every monthly payment of 5 percent of a patient's income and does not account for any interest.