Community Catalyst

Principles for Improving Community Health and Economic Stability Through Hospital Policies

Financial security is an important social determinant of health, which makes it particularly troubling that the health care system itself is frequently a contributor to financial hardship among families. Hospitals are important anchors in their communities and an integral part of the health care safety net. In exchange for tax exemptions, non-profit hospitals are required by law to provide community benefit, including but not limited to financial assistance. Despite this, their financial assistance and billing/collection policies frequently harm patients and exacerbate existing inequities. Data show that Black and brown communities and systemically excluded populations are the most affected by unaffordable health care and medical debt. It is therefore critical that hospitals establish financial assistance policies (FAPs) through a racial justice and health equity lens.

Methodology

These principles were co-designed with our medical debt partners from more than a dozen organizations across nine states. Community Catalyst's co-design process actively collaborates with advocates from our partner organizations, integrating feedback to ensure the final product meets the needs of the communities they serve. This process leverages the expertise and lived experience of community-based advocates. Co-designing ensures that the people who are affected by a design decision have a say in the development of solutions, leading to outcomes that are more beneficial, efficient, and user-friendly.

We suggest the following five principles to guide consumer advocacy efforts in campaigns to ensure that hospital policies promote economic security and preserve access to care for all: **Equity, Transparency, Affordability, Inclusivity and Accountability**.

Equity

It is always expected that hospitals stay true to their mission of providing services and care to the communities they serve. To ensure hospital policies do not have inequitable impacts or erect barriers for patients based on age, gender identity, race, disability, health status, language, immigration status, sexual orientation, or religious affiliation, hospitals should:

- **Publicly report disaggregated data on who receives financial assistance or is subject to aggressive collection actions.** Data should be disaggregated and analyzed to examine whether there are disparate experiences based on demographic factors listed above.
- **Ensure that FAPs apply to a full array of medically necessary services in inpatient and outpatient settings,** including screening, laboratory, and diagnostic services; medical equipment and medications; and substance use, behavioral, and oral health services. Hospitals should work with outside providers to ensure that FAPs apply to bills from other providers, such as ambulances, radiology, and anesthesia, for services provided at the hospital. FAPs for a hospital should also provide assistance for associated clinic locations, where patients are likely to receive follow-up care.
- **Develop and implement a concrete action plan to address health disparities, advance health equity, and improve community health.** This plan should include providing ongoing staff trainings that address cultural competency, implicit bias, and facilitate connections to resources that help address social needs such as food, housing and community safety. Resources should be made available in various formats and languages to ensure accessibility for the local community. Hospitals

should strive to formalize relationships with community-based organizations as trusted sources of information that can help patients navigate the financial assistance process.

Transparency

To ensure that patients clearly understand their rights and have access to the support they need – either when applying for financial assistance or when they have questions about their medical bills – hospitals should, at the minimum, do the following:

- **Ensure that all financial assistance, billing and collection policies are made available to the public.** Best practices include, but are not limited to: (1) posting signs in areas that are visible to patients (such as in admissions, waiting rooms, and upon discharge); (2) conspicuously and prominently including this information on websites, and in invoice mailings; (3) informing all patients, regardless of immigration status, of financial assistance options and the availability of financial counseling at any point where billing information is disclosed to the patient; and (4) translating all relevant policies in languages spoken by residents of all the communities served by the hospital, and making them available in accessible formats for people with disabilities.
- **Proactively advise any patient as soon as possible of their financial assistance options. Hospital staff should meet with uninsured/underinsured patients as soon as possible to help patients understand their coverage and payment options.** Additionally, given that a patient's financial circumstances may change over time, patients should have ongoing opportunities to apply for financial assistance, regardless of where they are in the billing cycle – even after their bill has been referred to a collection agency or lawyer.
- **As part of the routine process, before issuing a bill, screen patients for eligibility, and for those patients who appear to qualify, assist them in applying for financial assistance or public insurance programs.** Such programs include but are not limited to hospital free care or discounted care programs, Medicaid, Medicare, CHIP and Marketplace Qualified Health Plans (QHPs). However, applying for public insurance should not be a requirement for receiving financial assistance as that would impose an unduly harsh impact on certain patients, including immigrants concerned about public charge or immigration adjustment issues; individuals whose religion bars them from participating in public insurance; people who missed an open enrollment opportunity; and those who cannot afford a QHP (even with subsidies) or coverage that may be offered by their employer.
- **Ensure the application process is easy to understand, simple to complete with or without assistance from hospitals, and requires only the minimum documentation necessary to determine eligibility.** Hospitals should avoid asking for unnecessary information (e.g., SSN and immigration status, since requests for one/both of these may have a chilling effect on participation among otherwise eligible households). Hospitals across the state should strive to utilize a uniform application tool to simplify the process and reduce barriers for patients.
- **Allow flexibility in terms of the types of documents required,** such as allowing income verification by self-attestation or through proof of qualification for means-tested public benefits such as SSI, SNAP or free lunch to streamline the application process. Some applicants may not receive paycheck stubs or may not readily be able to get documentation from their employer. Employers of noncitizens or temporary workers may be unwilling to provide such documentation.

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- **Accept applications submitted via multiple means,** such as fax, email, US mail, or any other secure communication. Not all patients have easy access to some methods of transmission.
- **Ensure the appeals process is clearly explained** and relevant documents are made publicly available. The appeals process should be provided when patients submit their application materials and provided again along with any notice of denial.

Affordability

To ensure that hospital policies improve patients' health and economic stability rather than impose financial burdens on them, at a minimum, hospitals should do the following:

- **Hospitals should never employ – and should prohibit third-party agencies or lawyers acting on their behalf from employing – collection practices that impoverish patients and worsen economic inequities**. These practices include taking legal actions such as freezing of bank accounts, garnishing of wages, or placing a lien on property, vehicles, or other personal possessions.
- **Avoid inflated charges, particularly for patients who are uninsured or underinsured,** by putting in place discounts based on the customary rates paid by public payers such as Medicare and Medicaid.
- **Avoid imposing upfront payments or deposits or implementing asset tests.** Upfront payments should not be required, as it may also result in patients eligible for financial assistance to pay for costs out-of-pocket, or delay getting care in a timely manner. Asset tests often penalize people for having a house, a vehicle, retirement savings, and/or other personal investments. Patients should not be expected to liquidate assets to pay medical bills.
- **Only after exhausting all possible financial assistance and coverage options, patients who do not qualify for a full write-off of their bill should be offered a reasonable payment plan** with no-interest payments and a reasonable timeline that does not interfere with their ability to cover essential living expenses such as food and housing.
- **Include hardship provisions for patients** with extraordinarily high bills that exceed a certain percentage of household income. Patients with bills adding up to a significant portion of their income should qualify for financial assistance even if their base income would make them ineligible - no one, no matter how "wealthy" they were beforehand, should be bankrupted by medical bills. Financial assistance should apply to the consolidation of all bills if a patient accrues bills across multiple visits.
- **Establish written billing and collection policies that clearly describe the process, timeline, and type of actions a hospital or third-party vendor may legally take to collect on an unpaid bill, as well as patient rights to dispute all or portions of a bill.** The document should clearly lay out patient options to pay overtime with no interest as well as links to patient advocates who can help them understand their bills and their rights. Billing and collection policies should ideally be reviewed by community partners to ensure language is comprehendible and sensitive to community needs.
- **Avoid pushing medical credit cards and payment plans onto patients**, especially while a financial assistance or public program application is pending. Avoid promoting interest free payment options unless they are truly interest free regardless of late/non-payment. Such plans should be required to fully disclose consequences for late/non-payment.

Inclusivity

Community Catalyst

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As important anchors of the communities they serve, hospitals should be responsive to community needs, be inclusive, and partner with the representatives of populations likely to benefit from assistance. To ensure they respond to the changing demographics, financial statuses, and health access trends the communities they serve, hospitals should do the following:

- **Invite feedback from patients who have received financial assistance,** as well as from those who applied but did not qualify, and proactively compile, update, and disseminate information on how these policies and procedures are working.
- **Solicit input from patients, as well as other stakeholders,** including community health and human services agencies, clinicians, and other community and faith-based organizations to ensure outreach strategies are inclusive, relevant and culturally appropriate.
- **Partner with consumer assistance programs, community health workers, grassroots-or-community-based organizations** to identify and provide focused outreach and support to demographic and geographic communities most likely to need financial assistance.

Accountability

To ensure that hospital staff comply with state laws and regulations and hospital policies related to financial assistance, billing and collections, hospitals should implement the following steps:

- **Educate staff (both inside and outside of the billing department)** on financial assistance policies and processes to ensure that patients are given clear and consistent guidance, as well as information on eligibility guidelines and documentation required with an application. To limit confusion or inadvertently discourage immigrant patients without legal status from applying for financial assistance, it is important to clearly explain that the information they submit will only be used to make an eligibility determination, specifically emphasizing that immigrants without legal status will not be reported to law enforcement.
- **Provide financial counselors with training and ongoing education on other coverage options, such as Medicare, Medicaid, and marketplace insurance.** Simply asking for one month's income is not sufficient to determine eligibility for coverage. Financial counselors should be able to identify any possible coverage option for patients to ensure that they are not only protected from bills for the current stay, but can confidently seek out any future coverage they need without worrying about cost.
- **Create and staff an internal appeals panel made up of a diverse group of hospital employees** that includes but is not limited to community benefit staff, patient revenue staff, language services, and clinical care. The sole charge of this panel will be to review patient appeals of financial assistance determinations. Panels should actively inform patients of available external resources to review financial assistance eligibility.
- **Implement mechanisms for enforcement to ensure compliance,** which may include disciplinary action, up to and including termination of employment for employees or termination of contract for third-party personnel, employed physicians, and other relevant hospital staff and/or authorized vendors.
- **Conduct annual reviews** of all financial assistance, billing and collection policies and make changes to address evolving community needs based on inclusive feedback practices. These reviews should

be conducted by a third-party auditor, engage community input, and be made available to the general public.

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