

H.287

Medical Debt and Free Care



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What Vermonters say about medical debt



- “**I constantly put off care!!** I have insurance but never know what my obligations will be. Once you enter the medical system, it is a black hole of expense.”
- “Since I can't know in advance how much a visit/test/procedure will cost, or how much ‘insurance’ will pay (usually next to nothing), **I avoid going to the doctor at all.**”
- “We have been burned so many times by medical debt that we avoid going to the doctor until absolutely necessary. An example is that three years or so ago, **I suffered through pneumonia for six weeks because I was afraid of what it would cost to see a doctor.**”



Medical Debt + Free Care = Uncompensated Care



- In 2019, Vermont hospitals reported
 - \$85 million in patient medical debt
 - \$45 million in free care

Our goal in this bill is to find the right balance between these two categories and reduce the number of bills sent to collections and recorded as medical debt for people who cannot reasonably pay.

We do not want to increase uncompensated care.

All nonprofit hospitals are required to have a free care policy. The IRS has several requirements about the accuracy of these policies and that they are made available to patients, but there are no standards for generosity or other important factors



H.287 Institutes a statewide minimum standard to address health-equity problems:



- Variation in hospital free care policies provides for many opportunities for implicit bias.
- Hospitals have a range in how much they give from \$.25 to \$1.20 of charity care for every \$1 of bad debt.
- Current Hospital PFA policies deny access to Vermonters who are otherwise income eligible because of where they live, how long they have lived there or other arbitrary factors.
- Some PFA applications require multiple documents from multiple sources. Others allow simple self-attestation or require only minimal documentation.
- Some hospitals have eligibility asset limits and others do not. Of those who limit assets, some include retirement savings others do not.
- Plain language summaries vary from the 20th to the 12th grade reading level. Generally, organizations serving low-income persons try to write client-facing materials at the 8th grade level.



Thank you!



- Questions and Discussion

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