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Disrupting the Medical Debt Collection Highway

@HealthValueHub

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Welcome and Introduction

Lynn Quincy
Healthcare Value Hub



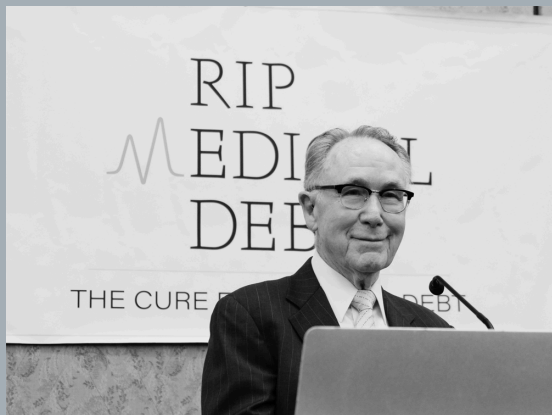
Housekeeping

- Thank you for joining us today!
- All lines are muted until Q&A
- Webinar is being recorded
- Technical problems? Call Annaliese Johnson at 301-448-6251

Agenda



- **Welcome & Introduction**
- **Healthcare Bill to Medical Debt Pathway**
 - Jerry Ashton: Co-Founder, RIP Medical Debt & Co-Author, End Medical Debt
- **Addressing Medical Debt Collection Practices in New York**
 - Elisabeth Benjamin, MSPH, JD, Vice President, Health Initiatives at the Community Service Society of NY
- **State Solutions to Consider**
- **Q&A**



Healthcare Bill to Medical Debt Pathway

Jerry Ashton,
Co-Founder, RIP Medical Debt
Co-Author, End Medical Debt



Disrupting the Medical Debt Collection Highway

Jerry Ashton

Co-Founder, RIP Medical Debt

Co-Author, *End Medical Debt: Curing America's \$1 Trillion Medical Debt Crisis*

Healthcare Value Hub

March 20, 2020

RIP
MEDICAL
DEBT

Medical Debt is a *debt of necessity*.

No one volunteers to be sick or hurt.



Who Incurs Medical Debt?

- **Uninsured**
 - Most or all medical expenses are **out-of-pocket**.
- **Insured and Underinsured**
 - When **deductibles** cannot reasonably be absorbed by patient.
 - When **co-insurance** cannot reasonably be absorbed by patient.
 - When **out-of-network** cannot reasonably be absorbed by patient.

The logo for 'RIP MEDICAL DEBT' is centered at the top of the slide. It features the text 'RIP' in a black serif font, 'MEDICAL' in a black sans-serif font with a red ECG line as the letter 'M', and 'DEBT' in a black serif font. The entire logo is enclosed in a red rectangular border.

RIP
MEDICAL
DEBT

Main Contributors to Medical Debt

- **Gaps in insurance**
 - Limitations on **benefits** (excluded services, caps on benefits)
 - Limitations on **coverage** (restricted networks, restricted providers)
- **Practices by medical providers**
 - **Out-of-network** status exploitation
 - **Exclusive contracts** with non-participating providers (e.g., ER)
 - **Consolidation** creating monopoly status driving increased charges

The logo for 'RIP MEDICAL DEBT' is centered at the top of the slide. It consists of the text 'RIP' on the first line, 'MEDICAL' on the second line, and 'DEBT' on the third line. A red ECG-style line is positioned to the left of the word 'MEDICAL', with its vertical line extending from the top of the 'M' to the bottom of the 'L'. The entire logo is enclosed in a thin red rectangular border.

RIP
MEDICAL
DEBT

The Numbers Tell the Story

- 56% of us have *job-based insurance*
- 17.2% of us are on *Medicare*
- 19.3% of us are on *Medicaid*
- 16% of us *buy insurance directly*
- 4.8% of us are **military**
- 8.8% of us have *no insurance*

The logo for 'RIP MEDICAL DEBT' is centered at the top of the slide. It features the text 'RIP' in a black serif font, 'MEDICAL' in a black sans-serif font with a red ECG line as the letter 'M', and 'DEBT' in a black serif font. The entire logo is enclosed in a red rectangular border.

RIP
MEDICAL
DEBT

Even with the Current ACA

- 27.5 million Americans are **uninsured**
- 41 Million Americans are **underinsured**

- 37% of **all Americans** have a problem paying medical bills
- 47% for all Americans with a **disability** have trouble paying

The logo features the text 'RIP MEDICAL DEBT' in a serif font. The word 'RIP' is positioned above 'MEDICAL', which is above 'DEBT'. A red ECG-style line is integrated into the letter 'M' of 'MEDICAL', starting from the left and ending at the top of the 'M'.

Impact of Medical Debt

- 20% of U.S. households have *unpaid medical debt*
- 2/3 of *personal bankruptcies* are related to medical debt
- 15 million Americans every year **exhaust all life savings**
- 50% of all **collections** are related to medical debt



We Owe \$1 trillion in Medical Debt

(Accumulated over the last 8-10 years)

- 44 million of us (1 in 10) has ***medical debt in collections***
 - Omits medical debt not reported to agencies; medical bills paid by credit cards
- **\$75 billion** in medical debt on ***credit reports***
 - Massachusetts = 5.2% (lowest percentile); New York = 7.7%
- Median medical bill on credit reports is \$739 (2016)

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Hospitals Selling Medical Debt

- **One-third of hospitals will sell unpaid bills to debt buyers**
 - *Uncollected accounts may sell for pennies on the dollar*
- **Debt buyers now own the discounted medical debt**
 - *Recoveries solely benefit debt buyers and investors*
 - *Hospitals do not benefit, and certainly not the debtor*

RIP
 MEDICAL
DEBT

**What happens when the Bill Collector
Owns the Hospital's Medical Debt?**

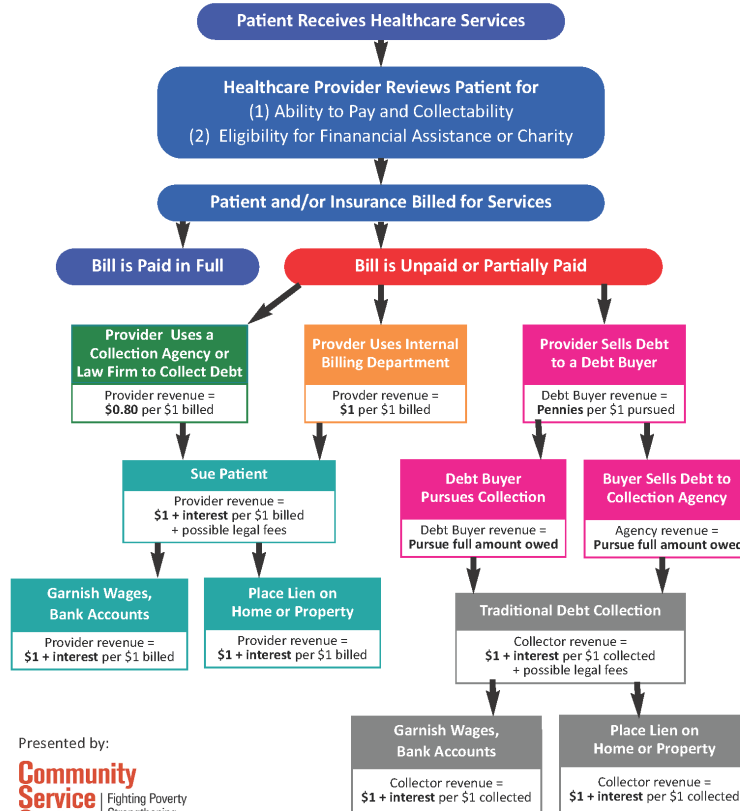
RIP
MEDICAL
DEBT

Thus begins...

America's Healthcare "Chain of Pain"

THE MEDICAL DEBT 'CHAIN OF PAIN'

For a host of reasons, patients who receive the same service can emerge from medical care with very different bill amounts. If the bills are more than patients can manage, they may have very different experiences of debt collection.



Presented by:





More Information:

Jerry Ashton

RIPMedicalDebt.org (co-founder)

EndMedicalDebt.com (co-author)

ashton@ripmedicaldebt.org



Addressing Medical Debt Collection in New York

Elisabeth Benjamin

*Vice President of Health Initiatives,
Community Service Society of NY*

The Patient Medical Debt Protection Campaign

Elisabeth Benjamin, MSPH, JD
Vice President Health Initiatives

March 2020

Community Service Society of New York



WE THE PATIENTS

Outline – Stop Medical Debt Campaign

1. Engaging patients with medical debt through social media

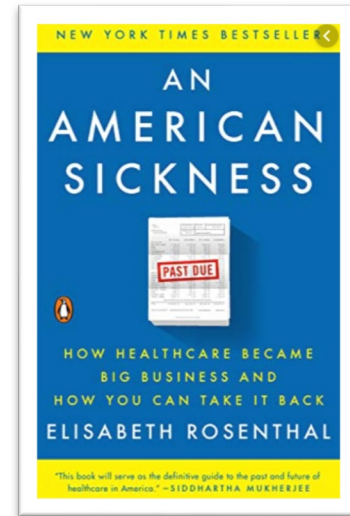
- We The Patients NY!
- Gathering stories
- Grassroots organizing

2. Analysis of the problem

- Unfair medical billing, affordability crisis and medical debt
- Court cases
- Report & earned media

3. “There oughta be a law”

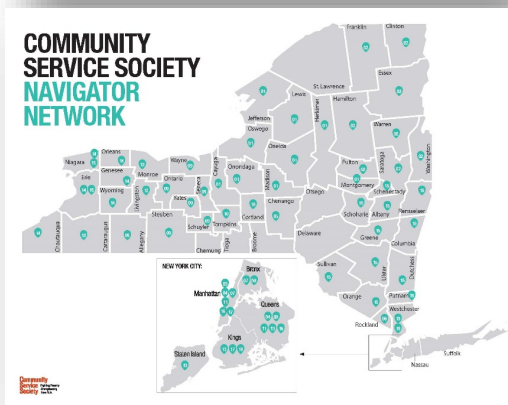
- The Patient Medical Debt Protection Act (bill)



What is Community Service Society?

How did it get involved in the medical debt issue?

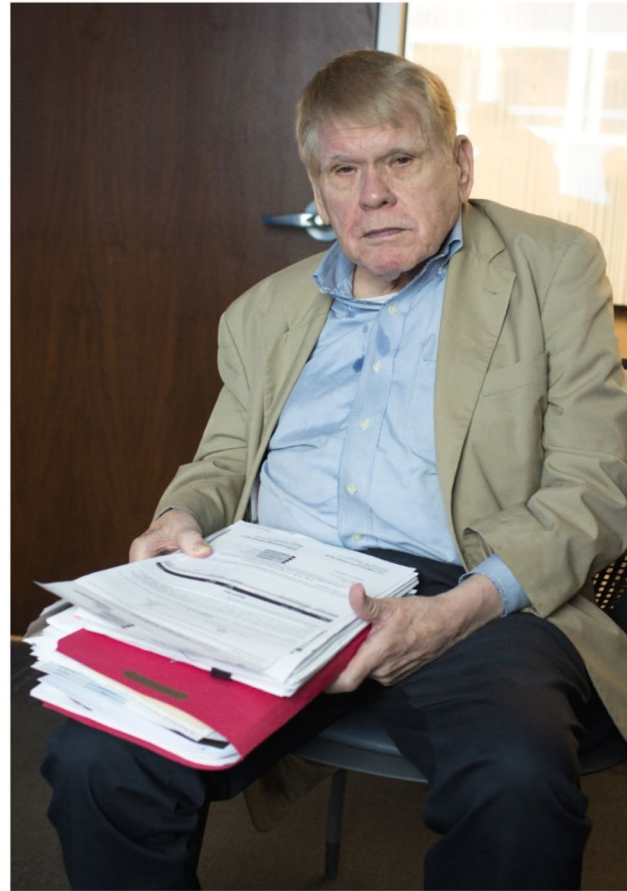
- CSS is 175-year non-profit agency dedicated to improving the lives of low-income and working New Yorkers
- CSS runs many health consumer assistance program and the State's largest Navigator program
 - Serves 130,000 New Yorkers annually
 - Community Health Advocates has seen a 41% increase in medical bill cases this past year
- New York State Health Foundation wanted to amplify consumer voices



Meet John:

“I’m slaughtered on all sides.”

- 75-years-old, cancer patient with Charcot foot
- Retired | Medicare Part A
- Stacks of separate bills
 - Doctors
 - Radiology
 - Emergency room
 - Hospitalization
- In debt
 - Faces eviction
 - Being pursued by aggressive debt collectors
- Sadly, John passed away still inundated with confusing medical bills and harassed by aggressive debt collectors.



We The Patients NY: Campaign to End Medical Debt!

Follow
WE THE PATIENTS
campaigns:

Fix Our Health Care System! Sign Up To
Take Action!

Title

Full Name

Address

Zip city and state not required

Phone

Email

Submit →

Send me emails about this campaign

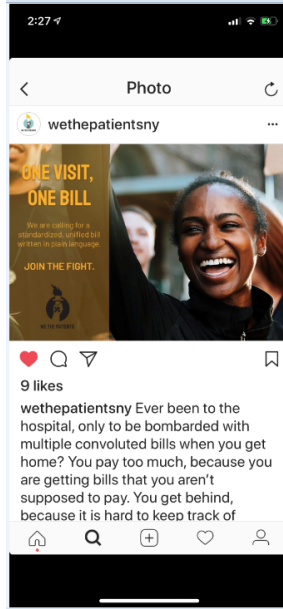
Send me text messages about this campaign

Share with Others

[Twitter](#) [Facebook](#)

We The Patients NY Social Media Campaign: 100,000 impressions last month (50,000-70,000 individuals reached)

1,281 Instagram Followers



1,155 Twitter Followers



1,406 Facebook Followers



Social Media: Power of Patient Stories



We the Patients New York @WeThePatientsNY · Aug 19
One thing no #parent should be worried about: will having my baby put me into medical #debt? Unfortunately for June Caspi's parents, shortly after her birth their mailbox was filled with medical bills totaling over \$400,000. Read their story on our blog: bit.ly/2TMTPAJ

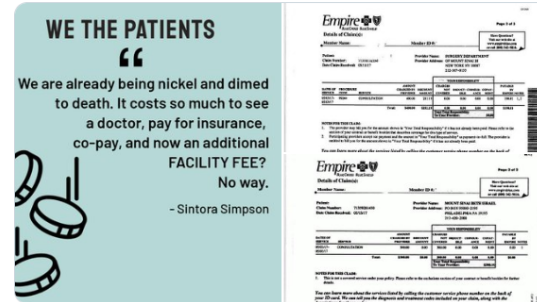


3 comments 48 retweets 92 likes



We the Patients New York @WeThePatientsNY

One of our advocates Sintora Simpson went in for a breast exam & came out with \$142 FACILITY FEE. Check out her confusing bills below. Read the story here: bit.ly/2ohlH4k



1:00 PM · Oct 1, 2019 · Twitter Web App

View Tweet activity

9 Retweets 29 Likes



Lane ~ Human Savage Scum @lanieg61 · Oct 3

Replying to @WeThePatientsNY
what the heck is a Facility Fee????

1 comment 1 retweet 2 likes

Meet Chandak:

“27 different bills for kidney stones.”

- Mt. Sinai for kidney stone diagnosis, received CT scan, medication & discharged same day
- Fully insured through employer
- Got 27 of different bills
 - Hospital ER
 - ER Doctor
 - Gastroenterologist
 - Nephrologist
 - Radiologist
 - Lab, etc.
- Immediately threatened with debt collection



Social Media: Meme Success

US hospitals calculating your medical bill



Liked by kisteinm and 553 others

Hands up 🙋 if your medical bills are breaking the bank.



12:00 PM · Sep 11, 2019 · Twitter Web App

|| View Tweet activity

5 Retweets 56 Likes

Social Media: The Comment Section

The screenshot shows a social media post titled "We the Patients - New York's Post" with a back arrow on the left and a menu icon on the right. The post content is partially obscured by several comments. The comments are as follows:

- Donald Hodo** (9h): "2013 - I'd probably still be paying. (Sandy) please stay safe from Coronavirus. We love you" (Like, Reply, Message)
- Rena We** (7h): "What did they do ? Charge her \$600 for a tylenol; \$400 for a bedpan, . . . The rates are out of control. Ask for a bill that lists all the charges. The charges are obscene. Something has to be done." (Like, Reply, Message)
- Donald Hodo** (9h): "Things happen that we have no control over. God bless you sis(Sandy)" (Like, Reply, Message)
- Shawn Eng**: "Harmful procedures, predatory hospitals and bypassing the insurance system"


The main post by **Susan Durell @SusanDurell** (13h) says: "Replying to @WeThePatientsNY That happened to my mother also." It has 1 reply and 1 retweet. A comment by **Crystal Polson** is visible: "Hospitals have absolutely no incentive to prevent infections. Complications=more money for them. So glad to see folks like Mary taking the initiative to implement change. We have to demand transparency and accountability in our broken, unethical healthcare system."

A comment by **Patricia Hedden** is also visible: "A colleague of mine is undergoing a procedure tomorrow to remove the remains of a miscarried fetus. Her post-insurance bill will likely be at least \$1,000 She and her husband were complaining about how they pay \$1,400 for insurance they rarely use, and then still have to pay a significant amount after network 'discounts' and insurance coverage. The woman grieving a miscarriage spent her lunch period phoning to confirm network providers and charges. Cuz it's all about choice, right?"


A comment by **henheart_farm** (18h) says: "Grateful to see this account. Maybe it will help someone to know that medical debts can and do get discharged and without court also...I was able to have several medical debts discharged through patience and persistence and providing the collectors with the cold hard facts of my finances and numbers." (1 like, Reply)

At the bottom, there is a comment input field: "Comment as We the Patient..." with icons for photo, GIF, and emoji. The navigation bar includes a home icon, a storefront icon, a profile icon with a red notification badge (5), a calendar icon with a red notification badge (9), a bell icon with a red notification badge (8), and a menu icon.


Social Media: Press Coverage

 **We the Patients - New York** ...
Posted by Emily Dore
Wednesday at 12:55 PM · 🌐

NYU Langone Health sent a Brooklyn school teacher home with a \$10,000 bill for **TRYING** to get tested for **#coronavirus**. To remind you, this is after... See More



THECITY.NYC
The Cost of Not Getting Tested for Coronavirus: a \$10K ER Bill [Learn More](#)

👍👎👤 224 27 Comments 171 Shares 

 **wethepatientsny**
New York, New York ...



[View Insights](#) [Promote](#)

👍🗨️📌

 Liked by **kellyfolkers** and **729** others

wethepatientsny As **#coronavirus** continues to be a growing global threat, our own Elisabeth Benjamin joined **@democracynow** to discuss the... [more](#)

sunshine.autonomy This was a great panel - thank you!!! 🙌🙌🙌 

The problem of health care affordability



- Despite impressive gains under the ACA, 1 million New Yorkers are uninsured
 - Of adults who were uninsured, 54% said it was because coverage is too expensive
- Insurance is degrading
 - Cost sharing being pushed down to patients
- Altarum Poll for NY found affordability issues are pervasive
 - 59% of NYC residents have a health care affordability problem
 - What kinds of problems do NYC residents have?
 - 50% of adults had cost barriers to accessing care (e.g. skipped a test, delayed care, skipped or cut pills)
 - 46% of adults struggle to pay medical bills (e.g. used up savings, gave up food or rent, in collections, credit card debt)

Sources:

- Coverage, U.S. Census, April 2019.
- Survey, Altarum Survey, Data Brief No. 37, March 2019.

Patient-centered care shouldn't end at discharge

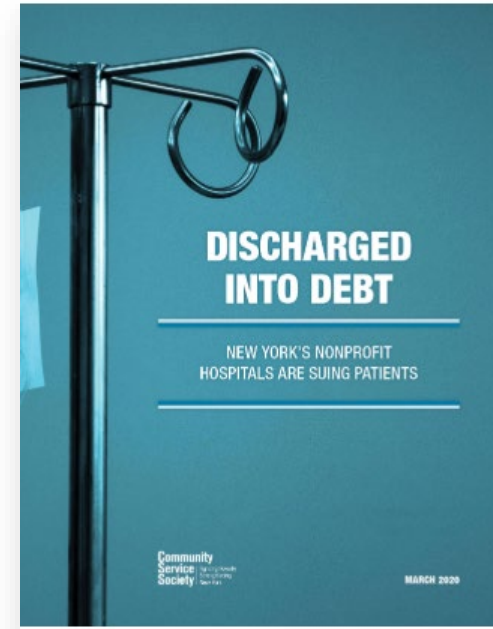


033005568

- “Financial toxicity” leads to higher mortality, worse morbidity
- Medical billing errors seem to be pervasive (30-40% per U of Minn.)
 - Consumers Union: Over 1/3 of patients paid bill they weren't sure they owed
- Patients believe powerful industry stakeholders are setting unfair prices
 - 69% say insurance companies charge too much
 - 69% say hospitals charge too much
 - 68% say drug companies charge too much
 - Industry consolidation rarely keeps the promise of lower prices
- New Yorkers do not trust the health care industry and want government action now
 - Only 32% say the US healthcare system is great
 - 72% say it needs to change

Hospital lawsuits are out of control

- Lots of press reports that non-profit hospitals are suing patients
- CSS conducted its own investigation in New York on public court database and found over 30,000 cases in 26 counties
 - Finds some bad actors
 - 10 out of 139 hospitals sued 20,000 patients
 - 10 received \$55 million *more* in DSH funds than they spent on patient financial assistance
 - “Hotspots” & racial disparities*
- Pulled nearly 600 court casefiles for 3 hospital systems
 - Sent letters to hospital CEOs
 - Individual hospital negotiations
- Issued report summarizing our findings



The Patient Medical Debt Protection Act (S6757/A08639)

Introduced October 2019

1. **Problem:** Hospitals send patients unnecessarily numerous, confusing and duplicative bills.
2. **Problem:** Non-profit hospitals sue patients for outstanding bills 6 years after a hospital visit, charging 9% interest rates.
3. **Problem:** Patients responsible for surprise bills due to provider/plan misinformation.
4. **Problem:** Facility fees.
5. **Problem:** No uniform hospital financial aid form depriving patients access to charity care.
6. **Problem:** Unlimited financial waiver forms leave patients responsible for unspecified and unanticipated expenses.
7. **Problem:** Lack of a consumer-friendly website to search and compare prices on common procedures, known as an all payer database.



Working The Capital

- Organize!
 - Advocacy world activated, strategic partnerships: HCFANY, AARP, NPIRG, Consumers Union activated & memos of support sent out to every member
 - Nearly 1000 campaign activists
 - Lobby days
 - Presentations
 - Phone2Action: 281 “thanks” or “spank” emails sent
- 53 Co-Sponsors
 - Assembly (35) | Senate (18)
- Some key provisions picked up by the Governor Cuomo in his budget proposal
- Stay tuned....



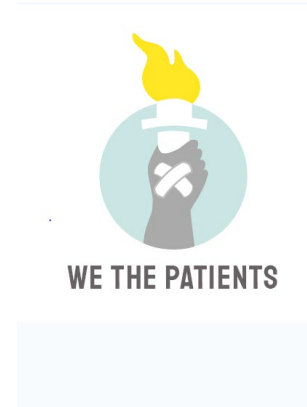
We The Patients NY seeks to elevate the patient's voice in the policy conversation

- Online community where patients can share stories
 - Upload bills
 - Discuss issues
- Start your own campaign to fix the health care system
- Online petitions
- Advocacy training

Join us!

www.wethepatientsny.org

Facebook, Twitter, & Instagram: @wethepatientsny





State Solutions to Consider

Lynn Quincy
Healthcare Value Hub

Disrupting the Medical Debt Collection Highway State Solution Table



Improving Value

Disrupting the Medical Debt Collection Highway

As the accompanying infographic shows, patients who receive the same service can emerge from medical care with very different bill amounts and different experiences of debt collection if the bills are more than they can pay. The table below shows how some states are disrupting this highway by inserting consumer protections at various "checkpoints."

Browse by Strategy

Disrupt the Medical Debt Collect

INFOGRAPHIC



Strategy to Disrupt the Medical Debt Highway

What are states doing?

Prevent medical debt from occurring in the first place.

Ensure residents are adequately covered - Being un- or under-insured can quickly send people into debt when they need medical care.

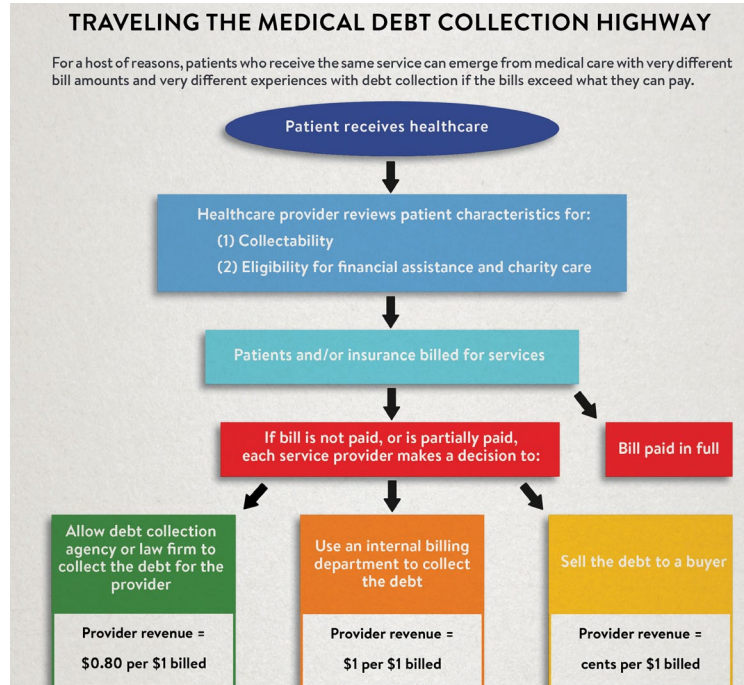
Massachusetts is one of few states to adopt Affordability Standards to guide health policymaking. The state also has one of the lower uninsured rates in the nation.¹

Clamp down on surprise medical bills - Even patients with good coverage can receive an unmanageable bill if their provider is unexpectedly out-of-network.

Industry observers have identified nine states - **California, Connecticut, Florida, Illinois, Maryland, New Hampshire, New Jersey, New York and Oregon** - that have comprehensive protections against balance billing associated with surprise out-of-network bills.²

More progress is needed, however, to address the

Disrupting the Medical Debt Collection Highway Infographic



Questions for our Speakers?



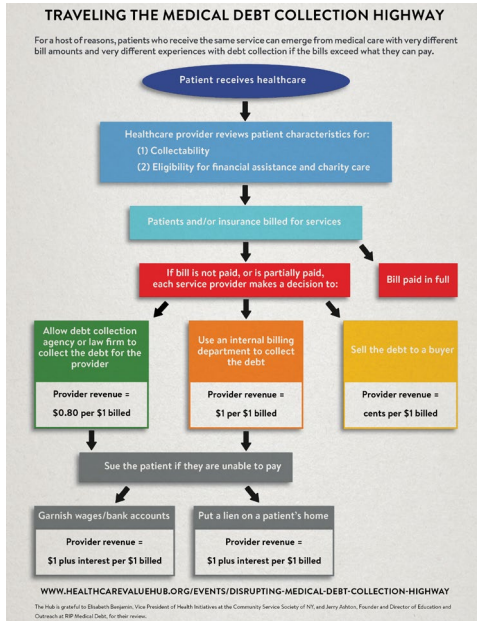
- Use the chat box or to unmute, press *6
- Please do not put us on hold!



Resources from the Hub



Traveling the Medical Debt Collection Highway



Hub High Deductible Health Plans/Health Savings Account (HSAs)



COST AND QUALITY PROBLEMS IMPROVING VALUE ADVOCATE RESOURCES STATE NEWS AFFORDABILITY SCORECARD



Improving Value

High Deductible Health Plans Don't Work

Research suggests that high-deductible health plans (HDHPs) are inappropriate for many consumers, leading them to cut back on both necessary and unnecessary care, as well as leaving them with unmanageable amounts of medical debt. Given the numerous alternatives to address high healthcare costs, it is curious why these plans continue to be so vigorously defended.

[Consumer Directed Health Plan (CDHP) is a term often used interchangeably with HDHP but is sometimes used to indicate the plan qualifies for a tax-advantaged savings account and/or that additional decision aids are present to help consumers shop for care.]

There is no debate that higher deductibles lower premiums. This occurs for two reasons: (1) because the design shifts costs away from the health plan and onto consumers but also (2) because enrollees cut back on care when they are in these plans (compared to more generous designs).

What HDHPs do not do is fulfill their promise of driving value in the marketplace via smart consumer shopping. Study after study have compared populations in generous coverage vs high deductible health plans and found:

- Patients cut back on unnecessary care but also necessary care, like preventive services and important screenings;¹
- Patients do not price shop;² and
- Patients do not shop based on quality.³

Browse by Strategy

High-Deductible Health Plans

PDF DOWNLOAD



Thank you!

- To our Speakers: Elisabeth Benjamin and Jerry Ashton!
- To the Robert Wood Johnson Foundation!

Register for future webinars at:
HealthcareValueHub.org/events