

**End Medical Debt Update:
NEW YORK'S NONPROFIT HOSPITALS
FILE LIENS AGAINST PATIENTS' HOMES**

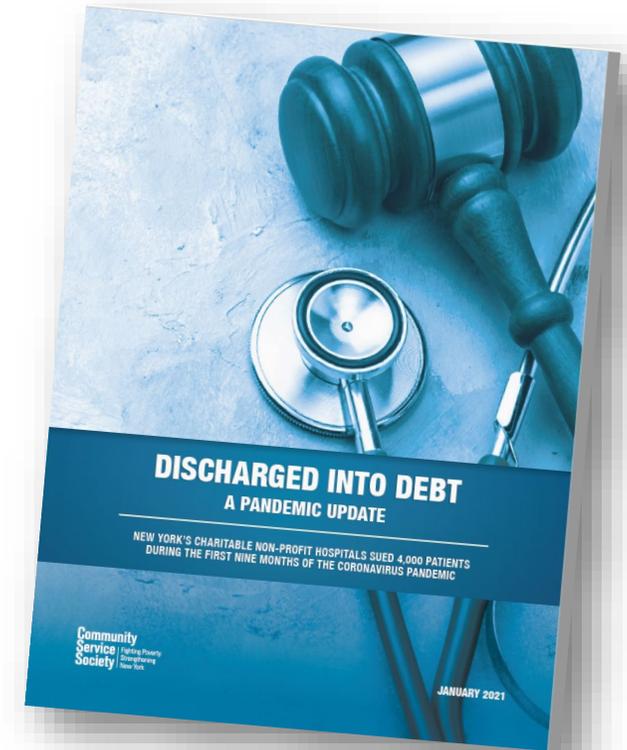
January 18, 2022

The problem of health care affordability

- Statewide health care affordability poll found that over **52% of people with insurance had a health care affordability burden**
 - 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)
- Since 2019, **Community Health Advocates** identified a **64% spike in medical debt cases**
- When people ask CHA for help with medical bills, 84% of those bills are reduced or eliminated

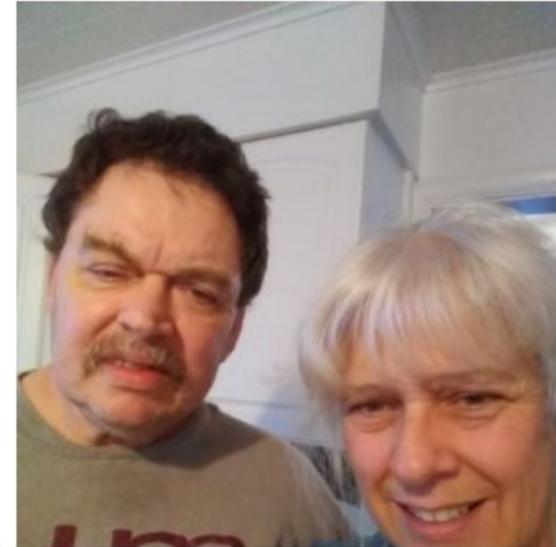
New York's charitable hospitals take extraordinary collections actions

- **All NY hospitals are nonprofits.** However:
 - 52,000 patients were sued between 2015 and 2020
 - Median judgment is \$1,900
 - Most lawsuits are won by default
 - Most lawsuits filed by a minority of hospitals
 - Hotspots: Capital District, Long Island, many rural counties
- NY hospitals receive \$1.1 billion in State Indigent Care Pool funds to support uncompensated care
 - Hospitals are required to offer financial assistance if they take ICP funds



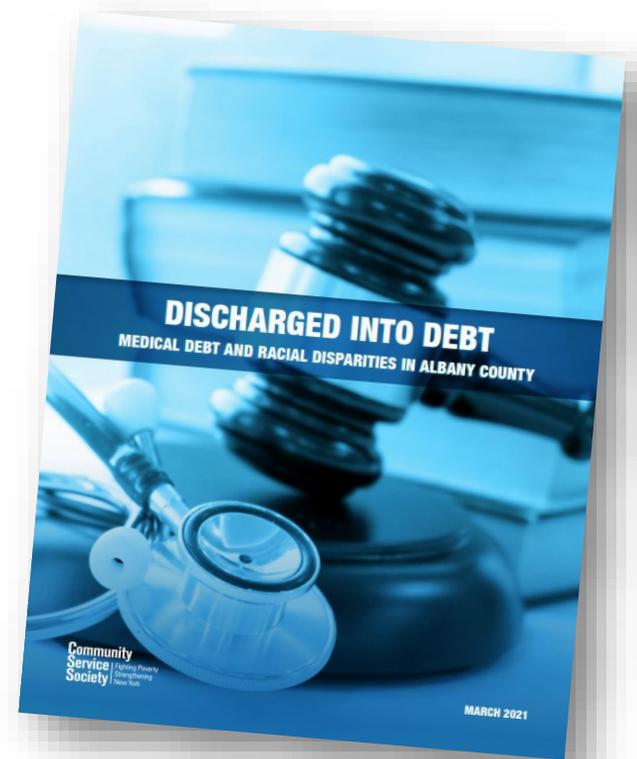
“Fight Back, Don’t Quit, Don’t Give Up”: Mr. Berg’s Story

- Mr. Berg was an unemployed former health care worker when he visited the emergency room in 2016:
 - Samaritan Hospital rejected his financial assistance application
 - They sued him while he was on a payment plan
 - He paid \$70 to request a jury trial and went to court three times before the hospital dropped the case.
- Mrs. Berg is from Canada and told us *“I didn’t know a lot about the U.S. health system at the time. Someone once told me, Americans with sick kids ended up homeless. I used to think, ‘no way’ – now I realize that’s probably true. I’ve seen people sell their trailers to get into a nursing home.”*



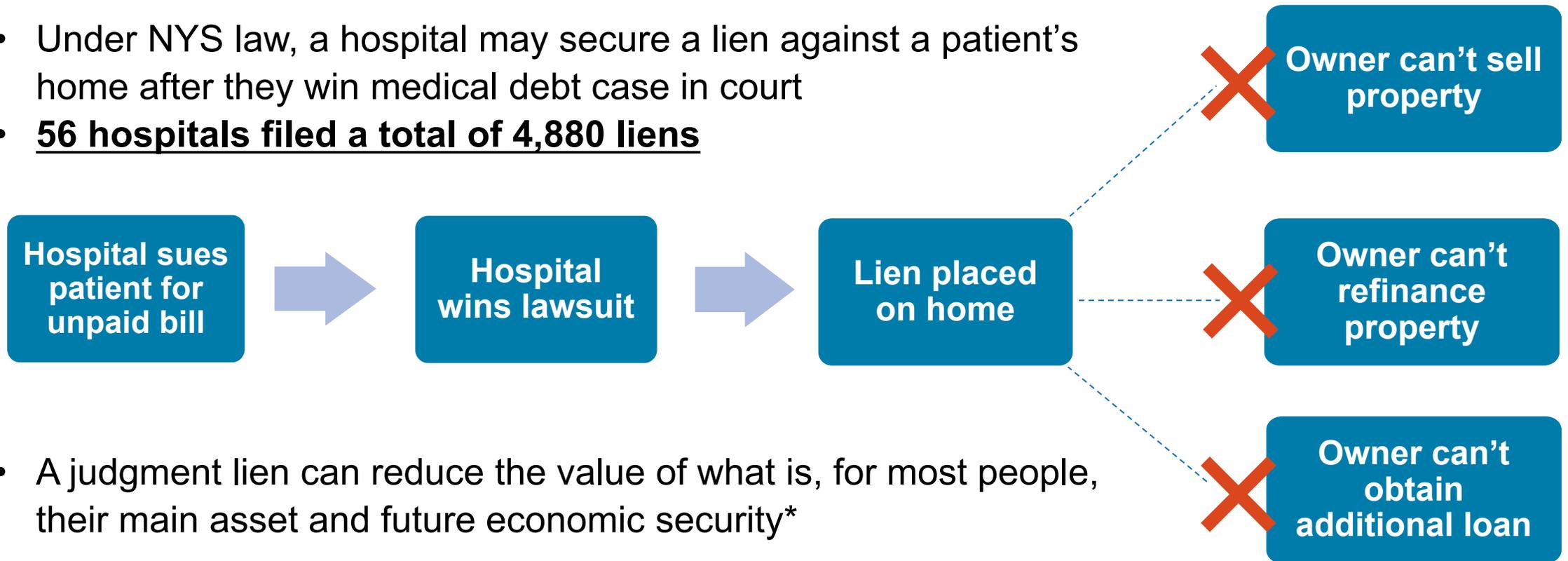
Extraordinary collections actions are disproportionately pursued against low-income people or people of color

- Significant racial disparities in medical debt
 - Medical debt is twice as common in zip codes where most residents are people of color
 - Westchester, Albany, Monroe, Onondaga, Erie, and Schenectady counties
- In Albany County:
 - 65% of lawsuits filed in zips w/ high proportion of people of color
 - 50% of lawsuits filed in zips where median family income is less than \$53,000 (200% of the FPL)
 - Far below the income cutoff under the State's hospital financial assistance law



Property liens are an extraordinary collection action filed nearly 5,000 times in 2017 and 2018

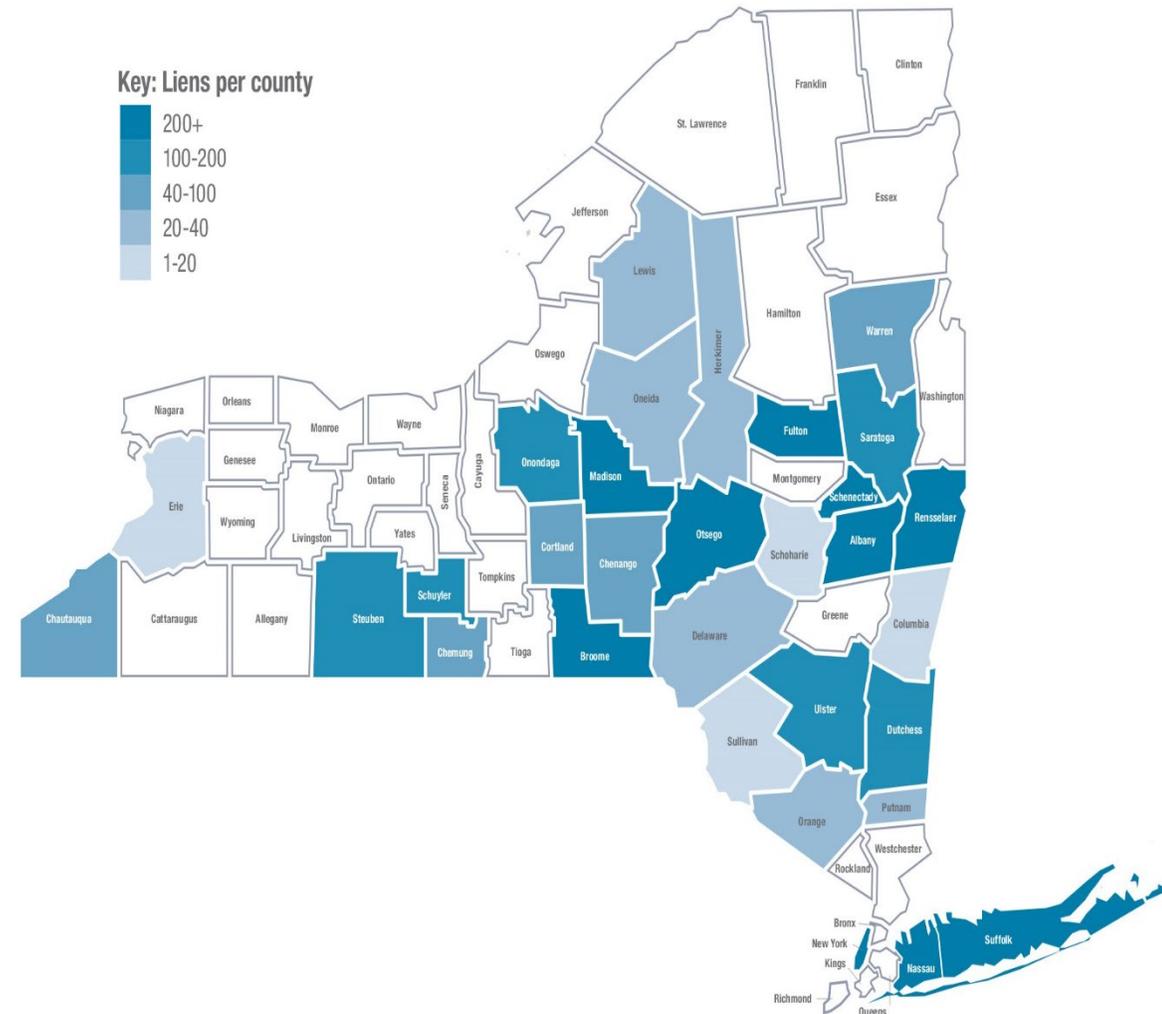
- Under NYS law, a hospital may secure a lien against a patient's home after they win medical debt case in court
- **56 hospitals filed a total of 4,880 liens**



- A judgment lien can reduce the value of what is, for most people, their main asset and future economic security*

Capital-area patients have the most liens against their homes; also high per-capita rates in several rural counties

Top 10 counties	Liens placed by hospitals in county	Liens per 10,000 county residents
Schuyler	134	37.6
Fulton	358	33.5
Madison	316	22.3
Otsego	226	19
Rensselaer	547	17.2
Albany	691	11.3
Broome	369	9.7
Schenectady	230	7.4
Cortland	62	6.5
Steuben	115	6



Nearly 80% taken in areas with median incomes under 300% FPL, indicating hospitals are not providing financial assistance

Collectively, 56 nonprofit hospitals received **\$442 million** from the state's 2017 and 2018 ICP allocations:

- **48 times** the amount of financial aid offered by these hospitals.

Top 10 Hospitals	County	Number of liens placed in 2017/2018	County median income as % of FPL
Samaritan Hospital / Troy	Rensselaer	396	260%
St. Peter's Hospital	Albany	391	250%
Nathan Littauer Hospital	Fulton	358	190%
John T. Mather Hospital	Suffolk	350	380%
United Health Services	Broome	322	195%
Oneida Healthcare	Madison	316	235%
Albany Medical Center	Albany	283	250%
Ellis Hospital	Schenectady	230	245%
Bassett Medical Center	Otsego	189	205%
North Shore Hospital	Nassau	152	440%

New York should prohibit healthcare providers from filing property liens against patients' homes

- 10 states/territories protect debtors' homes from property liens
 - Arkansas, Washington D.C., Florida, Iowa, Kansas, Maryland, Oklahoma, Puerto Rico, South Dakota, and Texas
 - Three other states have protections in place for medical-related situations: Louisiana, and West Virginia
- **New York should enact S6522 (Rivera)/A7363 (Gottfried) to prohibit property liens on patients' primary home for medical debt**
 - Currently has 15 Senate co-sponsors, 21 Assembly co-sponsors
 - Would also prohibit wage garnishments
 - **Vote in Assembly Codes committee tomorrow!!**

Wins So Far

- Five major hospital systems have stopped suing, said they will stop suing and/or said they will rescind past lawsuits: H&H, NYU, New York Presbyterian, St. Peter's (last suit in May), Northwell (Mather rescinded pandemic lawsuits and Crouse stopped suing in 2020)
 - Guthrie (Corning and Cortland) said it would stop placing liens
 - Northwell said it would appoint a medical debt ombudsman
- Reduced the statute of limitations on medical debt from 6 to 2 years
- Closed the emergency room loophole in the surprise bill law
- Fair Consumer Judgment Interest Rate Act (A6474A/S5724A) reduced interest rate on consumer debt from 9% to 2% - worked with broader consumer coalition on this victory



What's Next?



- New report on wage garnishments
- Fixing the hospital financial assistance law including requiring standard applications and creating cleaner income cutoffs
- Stopping facility fees for preventive care by passing A3470B/S2521B

How can you help?

- Keep an ear out for stories: being put into collections, rejected for financial assistance, being sued, liens or wage garnishments, bills that aren't fair
- Ask your legislator to co-sponsor

More information:

www.cssny.org:

- *Discharged Into Debt: New York's Nonprofit Hospitals are Suing Patients*, by Amanda Dunker & Elisabeth Benjamin, March 2020
- *Discharged Into Debt: A Pandemic Update*, by Amanda Dunker & Elisabeth Benjamin, January 2021
- *Unintended Consequences: How New York State Patients and Safety-Net Hospitals are Shortchanged*, by Carrie Tracy, Elisabeth Benjamin, and Amanda Dunker, January 2018.

Community Health Advocates: For help with medical bills and medical debt, call CHA at: 888-614-5400, www.communityhealthadvocates.org.

HCFANY: www.hcfany.org, @hcfany

We the Patients: <https://wethepatientsny.org/>, @WeThePatientsNY

The background is a solid blue color with a faint, semi-transparent image of a medical scene. In the center, there is a caduceus symbol (a staff with two snakes and wings). Below it, a stethoscope is visible, resting on a surface. The overall tone is professional and healthcare-oriented.

THANK YOU

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