

Hospital Financial Assistance in New York

February 15, 2022



Uninsured in New York

	2023 (Projected)
Eligible to purchase Marketplace coverage, income at or above 200 percent of FPL	421,000
• Subsidy Eligible (200 to 400 percent of FPL)	259,000
• Not Subsidy Eligible (above 400 percent of FPL)	162,000
Eligible but unenrolled in <u>public coverage</u> , income below 200 percent of FPL	345,000
<u>Immigrants</u> currently ineligible for public or Marketplace coverage because of immigration status	245,000
TOTAL	1,012,000
Note: Sub-groups may not sum to total because of rounding.	

Source: CSSNY and Citizens Budget Commission, “Narrowing the Coverage Gap: Five Strategies to Increase Insurance Coverage in New York,” January 2022, <https://www.cssny.org/publications/entry/narrowing-new-yorks-health-insurance-coverage-gap>.

Coverage disparities based on immigration status, race, and ethnicity

Citizenship Status	Percent Uninsured
Native-born	3.5%
Naturalized	4.7%
Not a citizen	21.0%

Race or Ethnicity	Percent Uninsured
White	3.8%
Black	5.6%
American Indian or Alaska Native	13.9%
Asian	6.7%
Hispanic or Latino, any race	10.1%

Source: United States Census Bureau, Selected Characteristics of Health Insurance Coverage in the United States (Table 22701), 2019

Hospital financial assistance is a lifeline for uninsured patients, but hospitals create unlawful barriers to eligibility

Amanda Dade is an immigrant from Canada and a victim of domestic abuse. Amanda went to Alice Hyde Medical Center (AHMC) in Malone, where she had emergency surgery for an ectopic pregnancy. She had no insurance and no income.

Amanda met with a social worker at AHMC, who didn't tell her about Emergency Medicaid or hospital financial assistance. She would have qualified for both programs.

Amanda recalled, "The hospital staff never informed me about charity care, which I only learned about afterwards, from a neighbor. I was turned away because of my immigration status and I thought that there was no hope."

After learning about financial assistance, Amanda applied but was told that she had to wait for her immigration papers to go through. However, hospitals may not apply an immigration status requirement for hospital financial assistance.

Amanda applied again when she received her green card and was told that she had been approved for hospital financial assistance, but only prospectively. A CHA Health Counselor helped Amanda appeal this decision.

Almost 2 years after her treatment, AMHC withdrew the bill from collections and closed her account.



Nonprofit hospitals sue patients in NY

- **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
- Non-profit hospitals also exempt from many federal, state, and local taxes

Hospital Financial Assistance Law

- 2006 Financial Assistance Law came after long fight for reform
 - Advocates documented many examples of patients who were denied care or financial assistance; most hospitals had no formal financial assistance policies
- Requires hospitals that take state funding to:
 - Establish a formal financial assistance policy
 - Give discounts to uninsured patients who can't afford care
 - Follow strict rules for application procedures
 - Use fair collections procedures
- Additional reforms created new system of allocating indigent care funding (2008 – present)

Who qualifies for HFA?

- Patients who:
 - Are uninsured or have exhausted their benefits
 - Are unable to pay for services
 - Meet the income limits
 - Live within the hospital's geographic service area
(with some exceptions)
- **No immigration status requirements**
- The hospital can consider some assets of very low-income patients



Sliding Scale Discounts

If you qualify for financial assistance the hospital has to offer you a sliding scale discount:

Income level (\$ amount = family of three)	Charge
Below 100% FPL (\$21,960)	Nominal Charges
100% - 150% FPL (\$21,960 - \$32,940)	Up to 20% Standardized Charge (SC)
151% - 250% FPL (\$32,940 - \$54,900)	Between 20% and 100% SC
250% - 300% FPL (\$54,900 - \$65,880)	Up to 100% SC

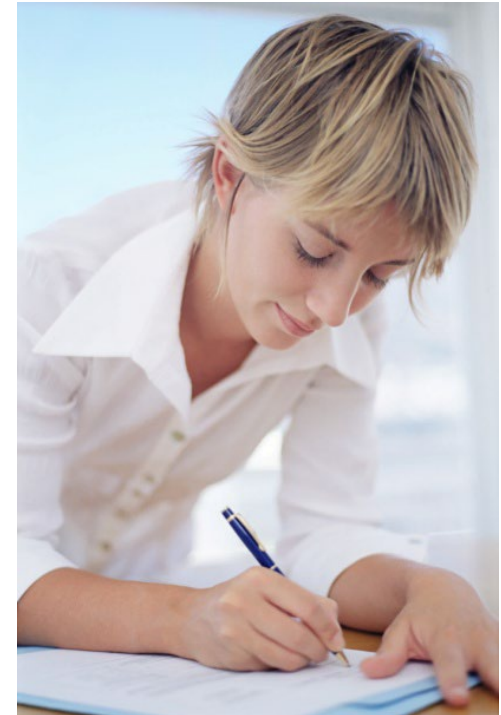
Nominal charges are set by the State. Some examples:

- Inpatient services - \$150/discharge
- Adult ER/Clinic services - \$15/visit
- Prenatal, labor & delivery, pediatric ER and clinic visit - no charge

Applying for HFA

The hospital must:

- Post application, summary, and policy on their website
- Have a process that is not unduly burdensome
- Include information about FA on bills and statements
- Help patients with the application
- Make it available in the primary languages served by the hospital
- Follow a minimum timeline
- Have an appeals process
- Let patients apply for FA at the same time as they apply for Medicaid



Hospitals create unlawful barriers

Hospitals are not allowed to:

- Require a social security number
- Require tax returns or other IRS documentation
- Deny an application based on a credit score
- Forward an account to collections while an application is pending
- Consider assets of patients with income over 150% FPL
- Ask for information about a patient's monthly bills



HFAL audit failed to fix problems

In 2018, CSS reviewed audit results and found the audit system needed improvements

1. Passing score was effectively 63% of all questions
DOH only based score on 40 of 52 audit questions
Hospitals only needed to score at least 80% on remaining 40 questions
2. Hospitals that passed weren't required to correct any errors
3. DOH based grades on the hospital's self-assessment without verifying
4. Lower audit scores were correlated with offering less assistance



2021 update: hospital scores getting worse!

Non-Compliant Answers in Hospital Financial Assistance Law Audits				
2012	2013	2014	2016-2017	2018
855	556	497	360	447

Source: <https://hcfany.org/still-waiting/>

Modernize HFAL - **S7625/A8441:**



Makes it easier for patients to find out about, apply for, and receive hospital financial assistance.

Requires hospitals to:

- Use one uniform application
- Offer assistance up to 600% of the FPL instead of 300%
- Remove asset tests
- Cover all providers in the hospital
- Add additional consumer protects

CSS reports on HFAL

- *Unintended Consequences: How New York State Patients and Safety-Net Hospitals are Shortchanged*, by Carrie Tracy, Elisabeth Benjamin, and Amanda Dunker, January 2018.
- *Incentivizing Patient Financial Assistance: How to Fix New York's Hospital Indigent Care Program*, by Elisabeth Benjamin, Arianne Slagle, Carrie Tracy, January 2012

Get help!

If you have any questions about hospital financial assistance, call
Community Health Advocates at:

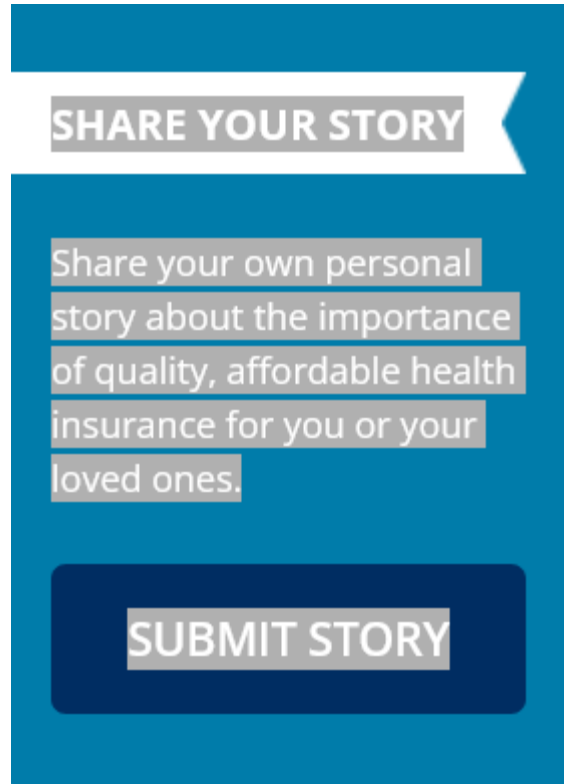
888-614-5400

www.communityhealthadvocates.org



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