

# Medical Debt in Central New York

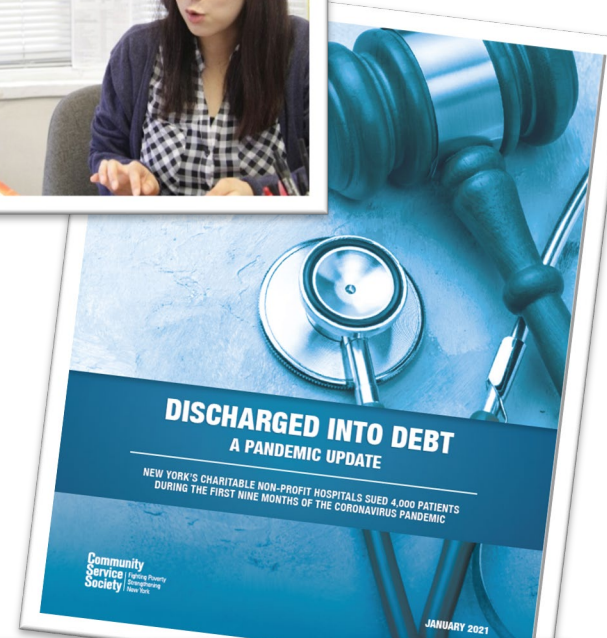
April 28, 2022

# Community Service Society

The Community Service Society of New York (CSS) works to promote **economic opportunity for New Yorkers**, centering our efforts on the voices and experiences of low-income communities and communities of color.

## CSS's 3-pronged health strategy:

1. Direct health access services – we're the largest NY Navigator and administer New York's Consumer Assistance Program (CAP)
2. Policy analysis from consumer lens
3. Advocacy, organizing, rapid response



# John's Story



- Retired and enrolled in Medicare, unable to afford supplemental insurance
- Hospitalized after a heart attack in 2015, developed cancer in 2018. Received care at three different NYC hospitals and relied on ambulances for transportation because he could not pay for a cab and could not physically access public transportation
- Results:
  - Eligible for hospital financial assistance but still put into collections by his providers
  - Sued by his landlord because he couldn't pay rent
  - Sued by his credit card company after using the card to pay for care
  - Delayed and avoided care

# Medical debt is unaffordable even with insurance

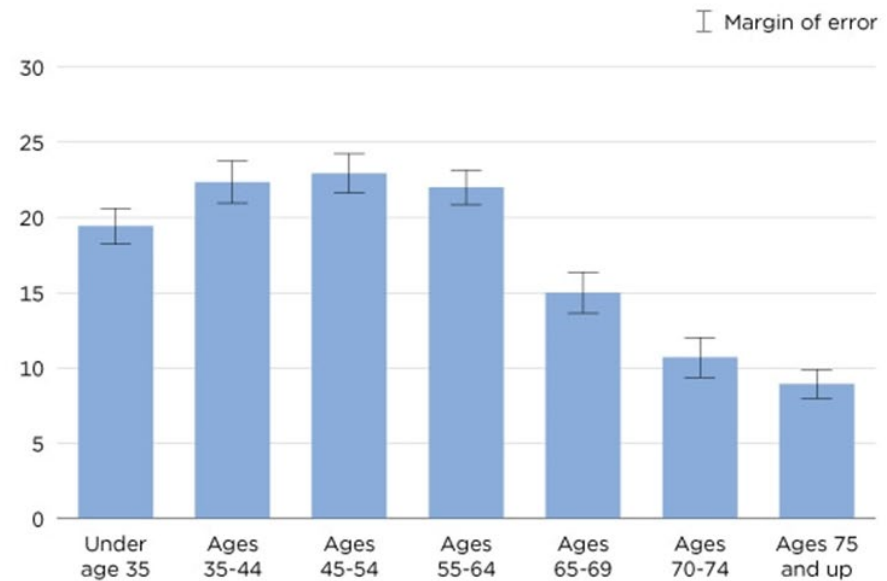
4 in 10 New Yorkers say they or a family member are sacrificing needed health care because they cannot pay.

3 in 10 have faced significant financial hardship because of medical bills: put into collections, unable to pay for basic necessities, using up all or most of their savings, etc.

4 in 10 have either had to fight an erroneous bill or have just paid a bill they thought was wrong to avoid harassment or a lawsuit

**Medicare helps  
– but it doesn't  
eliminate  
medical debt  
for people over  
65**

Figure 2.  
**Share of U.S. Households with Medical Debt by Householder Age**  
(In percent)



Source: U.S. Census Bureau, 2018 Survey of Income and Program Participation.

# What causes medical debt for people with Medicare?

- Affordability cliff: too much income for Medicaid but not enough income to afford supplemental coverage
- Medical billing errors and inappropriate service denials
- Categorical gaps in what Medicare covers (dental, long-term care) or inadvertently running into a coverage gap (day 101 in a skilled nursing facility, some ambulance services)

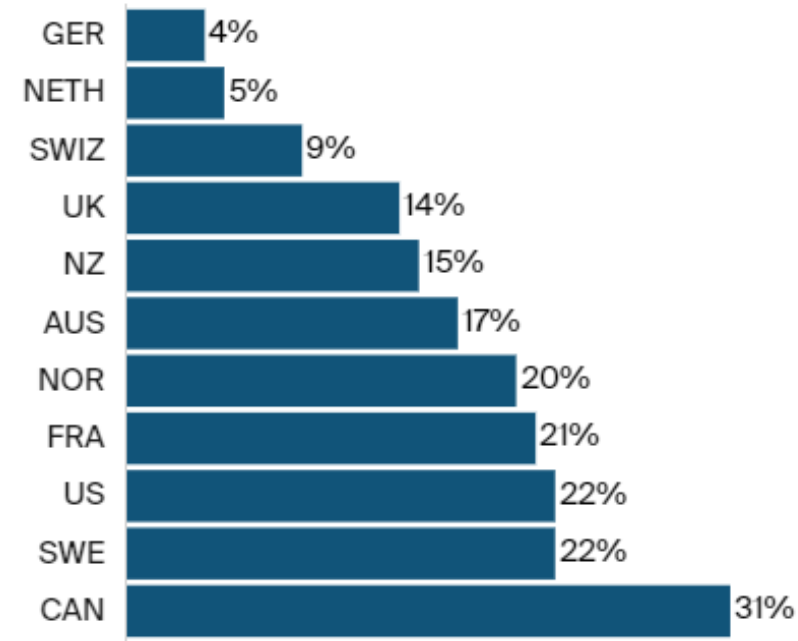


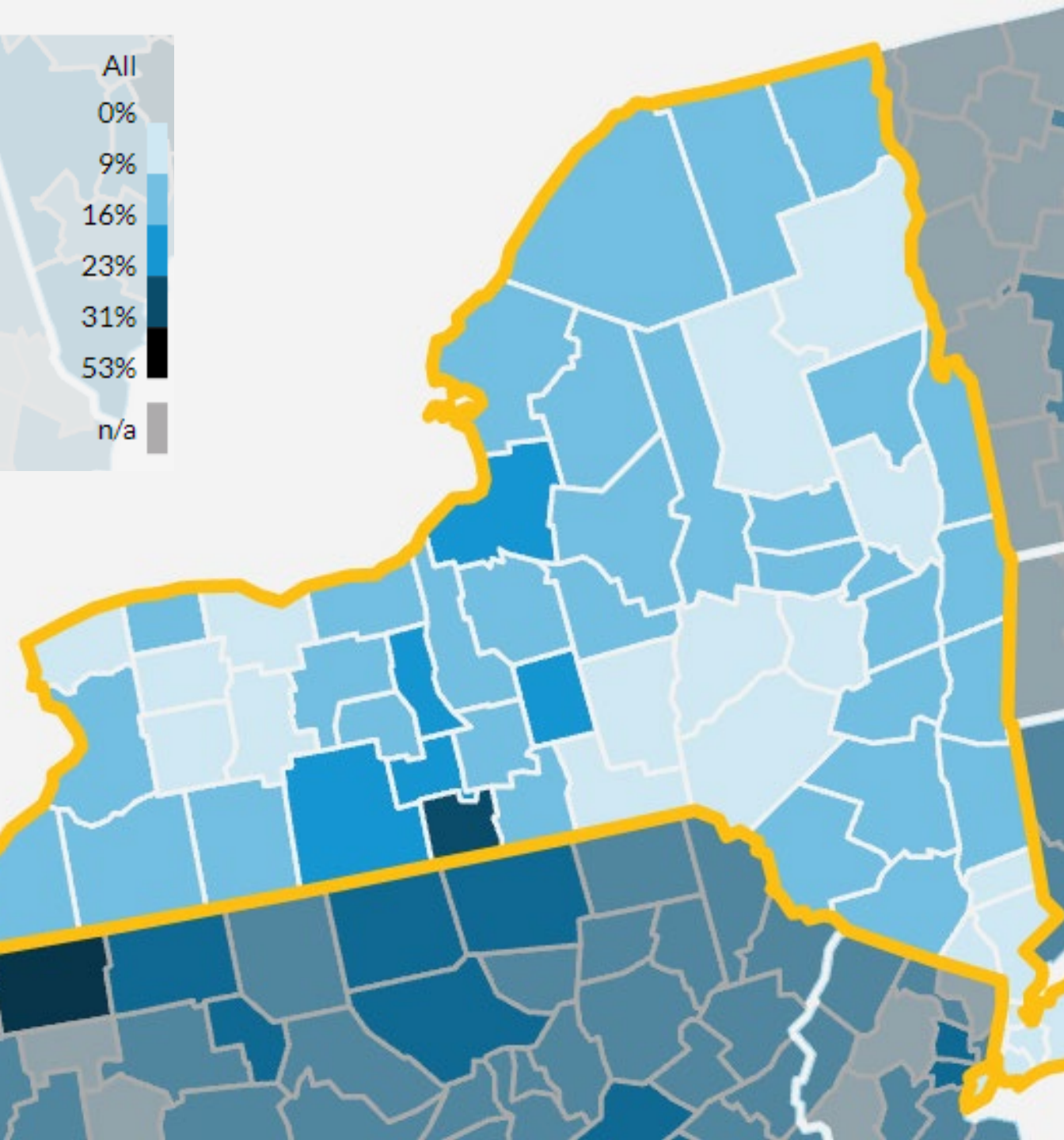
# What happens to older adults in countries with universal health coverage?

The Commonwealth Fund surveyed older adults in 11 high-income countries, all with universal health care except the US:

- People in Canada, France, Germany, the Netherlands, New Zealand, Norway, Sweden, and the UK pay less out-of-pocket
- Only Australia had the same proportion of people skipping medical tests and treatments due to costs and no country came even close to America on the number of older adults skipping medications
- Many of those countries perform better on access to care – afterhours, callbacks from doctors, people using emergency departments for non-urgent care

*Percentage of adults age 65+ who waited six days or more for an appointment when sick*

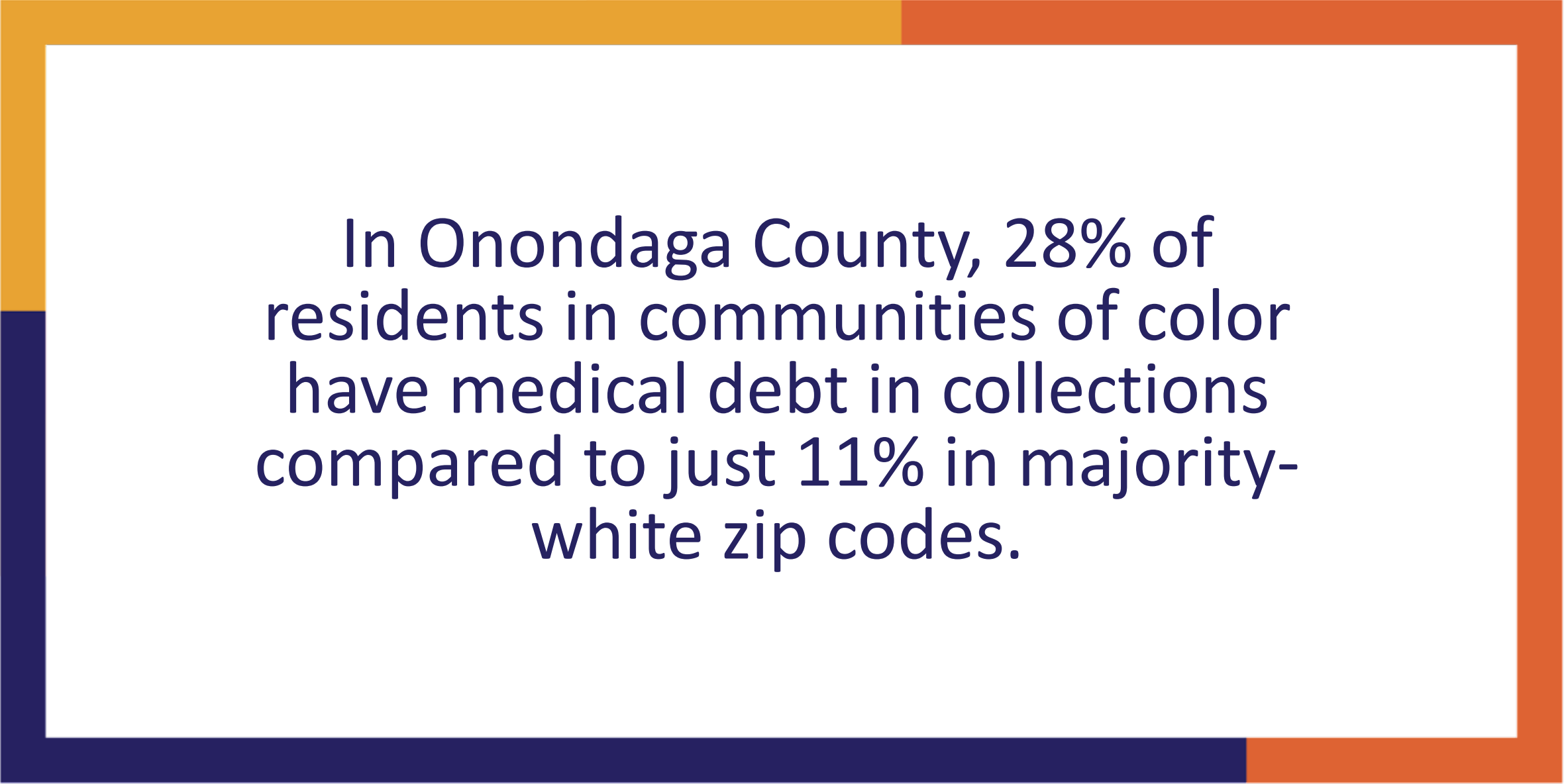




## New Yorkers are frequently put into collections over medical debt

County	Share with medical debt in collections
Madison	14%
Herkimer	9%
Oneida	14%
Onondaga	15%
New York State	6%





In Onondaga County, 28% of residents in communities of color have medical debt in collections compared to just 11% in majority-white zip codes.

# All of New York's hospitals are non-profit, but they still sue patients

- Over 52,000 New Yorkers sued between 2015-2020
  - 4,000 sued during the pandemic
  - Hospitals that sued the most provide the least financial aid
- These hospitals receive more of the \$1.1 billion state Indigent Care Pool funds than they provide in financial aid (windfall)
- Some hospitals never sue: doing so is a choice, not a necessity!

Rate of lawsuits per 10,000 residents	
Onondaga	106
Madison	92
Herkimer	61
Oneida	50
Statewide	29

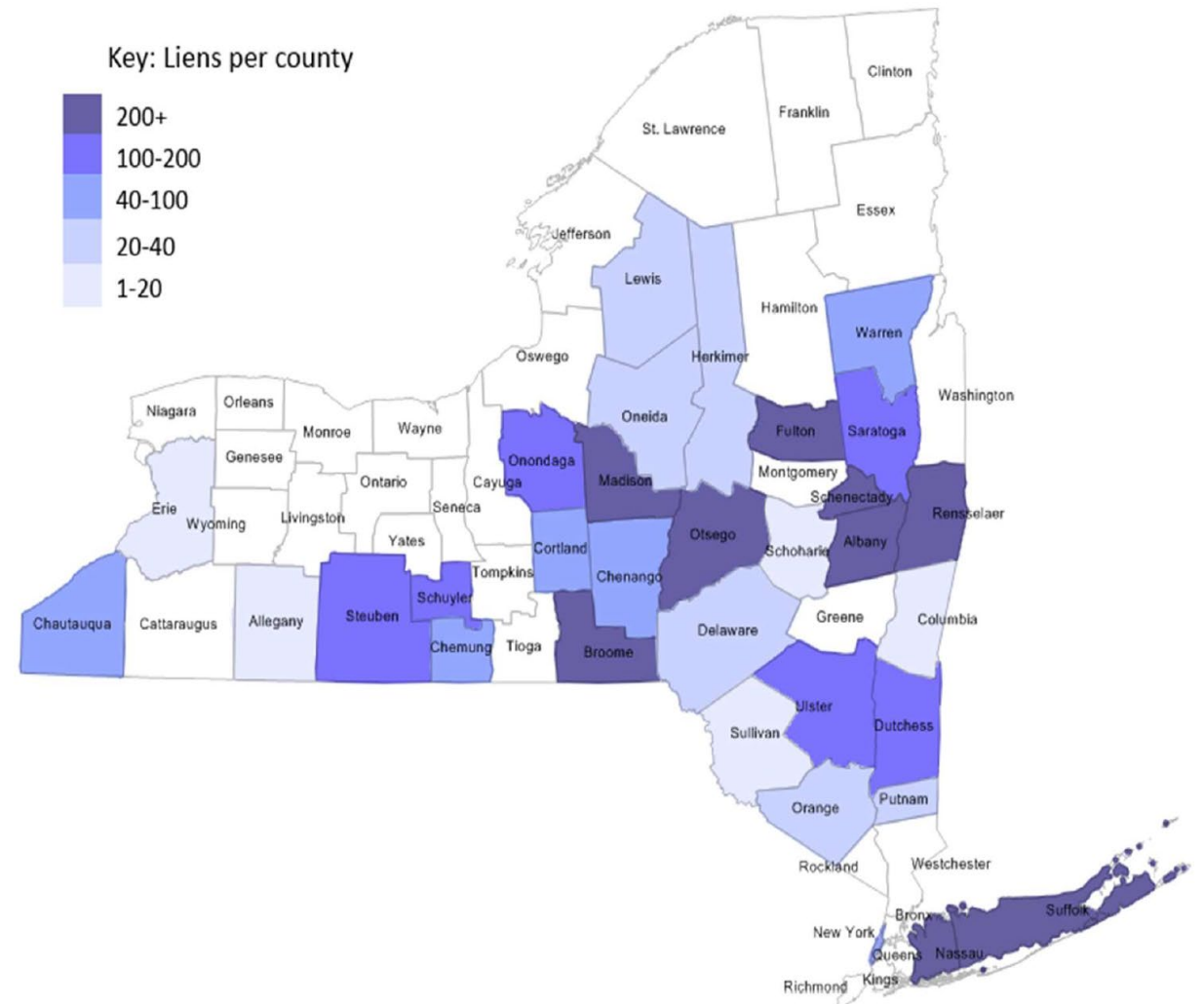
Lawsuits filed by hospitals against residents of Madison, Herkimer, Onondaga, and Oneida Counties (2015-2020)	
Crouse Health Hospital	5,094
Oneida Healthcare Center	754
St. Elizabeth Medical Center	583
Little Falls Hospital	341
Faxton St. Luke's	1,160
Rome Memorial	54
All Others	81
<b>Total</b>	<b>7,106</b>

# Hospitals are also placing liens on patients' homes and garnishing their wages

County	Number of liens placed due to medical debt judgments, 2017-2018
Madison	316
Onondaga	119
Herkimer	35
Oneida	31
New York State	4,880

Local hospitals confirmed to garnish wages include Community Memorial, Crouse, Faxton St. Lukes, Oneida Healthcare Center, Rome Memorial, St. Elizabeth Medical Center, and St. Joseph's.

Patients' employers include Loretto Geriatric Center, Nordstrom, Pep Boys, St. Joseph's Hospital, TGI Friday's, Tops, and Wal-Mart



# How could New York protect patients from medical debt?

Wage garnishment/ liens **S6522A / A7363** would prohibit hospitals from imposing liens against patients' primary residences in medical debt collection actions

Facility fees **S2521C / A3470B** would ban providers from charging separate overhead fees as a way around the ACA's prohibition on cost-sharing for preventive care

Hospital Financial Assistance (HFAL) **S7625/A8441** would make it easier for patients to access financial aid using one statewide application form, updating the law to sync with ACA

# How would the New York Health Act prevent medical debt for older New Yorkers?

- No more coverage gap pre-Medicare
- No more medical billing errors or piles of bills from each individual provider you interact with
- No more confusion about covered versus not covered services
- No more cost-sharing



# Get help!

If you have any questions about medical bills, call  
Community Health Advocates at:

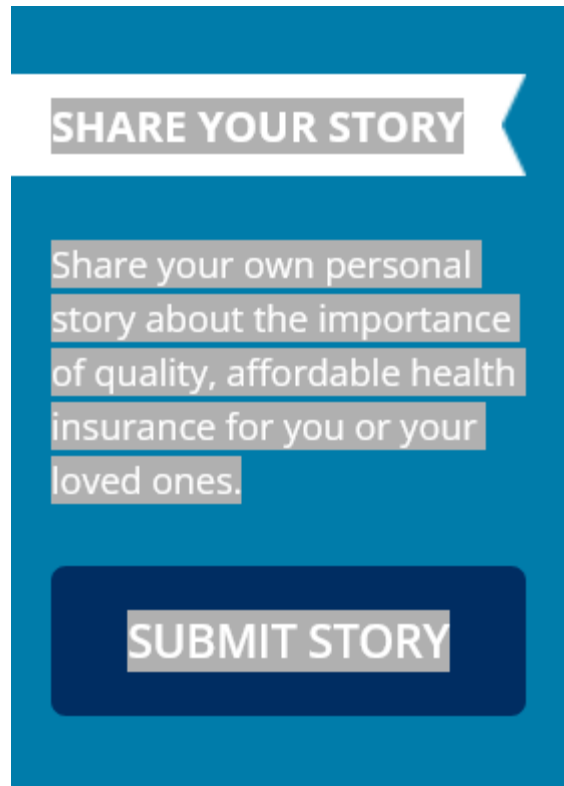
**888-614-5400**

[www.communityhealthadvocates.org](http://www.communityhealthadvocates.org)



# Tell your story!

www.hcfany.org



We the Patients

<https://wethepatientsny.org/>

@WeThePatientsNY

Press conference – tentative date May 9