

## Statement from \_\_\_\_\_

### Background Information

\_\_\_\_\_ cares deeply about our patients and the community we serve which is why our hospital very consciously tries to help patients manage their hospital bills. It is our strong preference to work directly with patients to resolve their medical bills and to consider the unique circumstances of each individual's situation. The vast majority of our patients pay for the care they receive. For those that can't fully afford their medical care, our hospital provides discounts or charity care for those who are eligible. Some patients who can afford to pay for at least some portion of their care choose not to.

### ON THE RECORD MEDIA RESPONSE

\_\_\_\_\_ does not initiate legal action against any patient the hospital knows has an income at or below 200% of the Federal Poverty Level. Our hospital only initiates litigation against individuals who appear to have the resources to pay for the medical care they received and who do not respond to numerous attempts – often 10 or more times – to communicate with them about their bill.

Our hospital has robust financial assistance policies that provide free care to uninsured individuals making less than 250% of the Federal Poverty Level and significant discounts for uninsured individuals whose income is between 250% and 400% of the Federal Poverty Level. Our hospital does rely on patients to engage with us to demonstrate their financial status. Every patient is given the option to complete a financial assistance application that could allow them to receive financial assistance.

For patients who can afford their care or choose not to complete a financial assistance application, our hospital always works to establish affordable payment plans, in some cases with monthly payments of \$25 or less.

Any individual who is currently a defendant in a collection suit and who believes he or she has an annual income of less than 400% of the Federal Poverty Level or who has had a change in finances is urged to call 1-800 \_\_\_\_\_. We will review their case and apply any applicable discounts they qualify for based on their income level – and if their income is determined to be less than 200% of FPL the hospital will withdraw the lawsuit.

### ADDITIONAL INFORMATION FOR YOUR STORY

#### *The impact of health plan design on patients*

- The proliferation of high-deductible health plans has resulted in significant increases in patients' financial responsibility for their healthcare.
- Amounts that employers previously covered on behalf of their employees now are more often owed by patients. This has effectively shifted the burden of collecting payment for care to hospitals and other providers.

#### *Availability of charity care and financial assistance*

- Our hospital treats every patient who visits the hospital Emergency Room regardless of the patient's ability to pay. Our hospital's ER does not turn away any patient based on the patient's ability to pay.
- Our hospital's financial assistance policy and a link to our financial assistance application is available on our website. Depending on a patient's income level, those policies provide for free or deeply discounted care.
- We also offer financial assistance staff to help patients understand their financial responsibility and the support available to resolve their bills, such as charity care, discounts, and flexible payment plans. We also attempt to identify and enroll patients in other sources of coverage available to them, such as Medicaid.
- In 2021, our hospital provided approximately \$72 million in charity and uncompensated care – medical care that was provided and not paid for.

#### ***Collections practices and potential litigation***

- The vast majority of patients pay their bills when due or establish and adhere to payment plans.
- Legal action is always the last resort and is only pursued after it is determined the patient appears to have some ability to pay based on credit record and employment status or if the patient has been non-responsive to efforts to communicate with him or her.
- We have policies in place against pursuing litigation against patients who are unemployed and without the means to pay their hospital bills.
- For those patients who do not qualify for charity care or who choose not to complete a financial assistance application, our hospital always offers an interest-free payment plan workable for the patient's circumstances.
- If a patient does not respond to these attempts or agrees to a payment plan and then does not follow through, the hospital may seek payment through the judicial process.
- Sometimes, legal action is the only path through which patients will engage in a conversation about the amount they owe for healthcare services that have already been received.
- In 2021, defendants in filed collection lawsuits had an average income of more than 500% of the Federal Poverty Level. For context, 400% FPL for a family of 4 is \$111,000/year, meaning we believe these individuals have an ability to pay for at least some portion of their bills over time.

#### ***About other healthcare systems processes for debt collection***

- Many health systems sell their medical debt to third parties or file collection suits in the name of a company other than the hospital where the care is provided. Thus, it is not readily apparent that these systems are initiating collection litigation against their patients. Our hospitals neither sell medical debt nor assign collections to other companies, which we believe skews any attempt to compare our hospitals to others with respect to patient collection suits.