

HOSPITAL

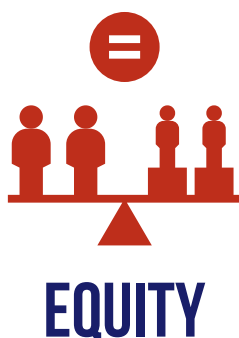
**PRINCIPLES FOR IMPROVING  
COMMUNITY ECONOMIC STABILITY  
THROUGH HOSPITAL BILLING  
POLICIES**



# PRINCIPLES FOR IMPROVING COMMUNITY ECONOMIC STABILITY THROUGH HOSPITAL BILLING POLICIES

Financial security is an important social determinant of health, which makes it particularly troubling that the health care system itself is frequently a contributor to financial hardship among families. Hospitals are important anchors in their communities and an integral part of the health care safety net. Despite this, their financial assistance and billing/collection policies frequently exacerbate existing inequities. [Data](#) show that Black and brown people and other oppressed or excluded populations are the most affected by [unaffordable health care and medical debt](#). It is therefore critical that hospitals establish financial assistance policies (FAP) through a racial justice and health equity lens.

We suggest the following five principles to guide consumer advocacy efforts in campaigns to ensure that hospital policies promote economic security and preserve access to care for all: **Equity, Transparency, Affordability, Inclusivity and Accountability**. These principles were co-designed with health advocates from more than a dozen organizations in five states



It is always expected that hospitals stay true to their mission of providing services and care to the communities they serve. To ensure hospital policies do not discriminate against patients based on age, gender identity, race, disability, health status, language, immigration status, sexual orientation, or religious affiliation, hospitals should:

- **Examine processes and data on who receives financial assistance or is subject to aggressive collection actions.** Data should be disaggregated and analyzed to examine whether there are disparate experiences based on demographic factors listed above.
- **Ensure that FAPs apply to a full array of medically necessary and emergency services in inpatient and outpatient settings,** including screening, laboratory, and diagnostic services; medical equipment and medications; and substance use, behavioral and oral health services.
- **Develop and implement a concrete action plan to address health disparities, advance health equity and improve community health.** This plan should include providing staff trainings that address cultural competency and implicit bias and facilitating connections to resources that help address social needs such as food, housing and community safety.



## TRANSPARENCY

To ensure that patients clearly understand their rights and have access to the support they need – either when applying for financial assistance or when they have questions about their medical bills – hospitals should, at the minimum, do the following:

- **Ensure that all financial assistance, billing and collection policies are made available to the public.** Best practices include, but are not limited to: (1) posting signs in areas that are visible to patients (such as in admitting and waiting rooms); (2) including this information on websites and in invoice mailings; (3) informing all patients, regardless of immigration status, of financial assistance options and the availability of financial counseling; and (4) translating all relevant policies in languages spoken by residents of all the communities served by the hospital, and making them available in accessible formats for people with disabilities.
- **Proactively advise any patient calling the billing department of their financial assistance options.** Given that a patient’s financial circumstances may change over time, patients should have ongoing opportunities to apply for financial assistance, regardless of where they are in the billing cycle – even after their bill has been referred to a collection agency or lawyer.
- **Screen for eligibility, and for those patients who appear to qualify, assist them in applying for public insurance programs,** such as Medicaid, Medicare, CHIP or Marketplace Qualified Health Plans (QHP) and financial assistance, as part of the routine process, before issuing a bill. However, applying for public insurance should not be a requirement for receiving financial assistance as that would impose an unduly harsh impact on certain patients, including immigrants concerned about public charge or immigration adjustment issues; individuals whose religion bars them from participating in public insurance; people who missed an open enrollment opportunity; and those who cannot afford a QHP (even with subsidies) or coverage that may be offered by their employer.
- **Ensure the application process is easy to understand, simple to complete, and requires only the minimum documentation necessary to determine eligibility.** Hospitals should avoid asking for unnecessary information (e.g., SSN and immigration status, since requests for one/both of these may have a chilling effect on participation among otherwise eligible households).
- **Allow flexibility in terms of the types of documents required,** such as allowing income verification through proof of qualification for means-tested public benefits such as SSI, SNAP or free lunch to streamline the application process. Some applicants may not receive paycheck stubs or may not readily be able to get documentation from their employer. Employers of a noncitizen may be unwilling to provide such documentation.



## AFFORDABILITY

To ensure that hospital policies improve patients' health and economic stability rather than imposing financial burdens on them, at the minimum, hospitals should do the following:

- **Avoid excessive charges, particularly for patients who are uninsured or underinsured**, by putting in place discounts based on the customary rates paid by public payers such as Medicare and Medicaid.
- **Avoid imposing upfront payments or deposits or implementing asset tests.** Such tests often penalize people for having a house, a vehicle, or retirement savings.
- **Offer patients who do not qualify for a full write-off of their bill a reasonable payment plan** with no-interest payments and a reasonable timeline that does not interfere with their ability to cover essential living expenses such as food and housing.
- **Include hardship provisions for patients** with extraordinarily high bills that exceed a certain percentage of household income.
- **Establish written billing and collection policies that clearly describe the process and the type of actions a hospital or third-party vendor may take to collect on an unpaid bill.** Hospitals should never employ – and should prohibit third-party agencies or lawyers acting on their behalf from employing – collection practices that impoverish patients and worsen economic inequities. These practices include taking legal actions such as freezing of bank accounts, garnishing of wages, or placing a lien on property, vehicles, or other personal possessions.



## INCLUSIVITY

As important anchors of the communities they serve, hospitals should be responsive to community needs and inclusive and partner with the representatives of populations likely to benefit from assistance. To ensure they respond to the changing demographics, financial status, and health access trends in the communities they serve, hospitals should do the following:

- **Invite feedback from patients who have received financial assistance**, as well as from those who applied but did not qualify, and proactively compile, update, and disseminate information on how these policies and procedures are working.

- **Solicit input from patients, as well as other stakeholders**, including community health and human services agencies, clinicians, and other community and faith-based organizations to ensure outreach strategies are relevant and culturally appropriate.
- **Partner with consumer assistance programs, community health workers, grassroots-or-community-based organizations** to identify and provide focused outreach and support to demographic and geographic communities most likely to need financial assistance.



To ensure that hospital staff comply with state laws and regulations and hospital policies related to financial assistance, billing and collections, hospitals should implement the following steps:

- **Educate staff (both inside and outside of the billing department)** on financial assistance policies and processes to ensure that patients are given clear and consistent guidance, as well as information on eligibility guidelines and documentation required with an application. To limit confusion or inadvertently discourage immigrant patients without legal status from applying for financial assistance, it is important to clearly explain that the information they submit will only be used to make an eligibility determination, specifically emphasizing that immigrants without legal status will not be reported to law enforcement.
- **Create and staff an internal appeals panel made up of a diverse group of hospital employees** that includes, but is not limited to, community benefit staff, patient revenue staff, language services, and clinical care. The sole charge of this panel will be to review patient appeals of financial assistance determinations.
- **Implement mechanisms for enforcement to ensure compliance**, which may include disciplinary action, up to and including termination of employment for employees or termination of contract for third-party personnel, employed physicians, and other relevant hospital staff and/or authorized vendors.
- **Conduct annual reviews** of all financial assistance, billing and collection policies and make changes to address evolving community needs based on inclusive feedback practices.

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## **Additional Resources**

Community Catalyst: [Community Benefit Dashboard: Advancing Health Equity And Community Engagement](#) (2018) and [What Does the Affordable Care Act Say about Hospital Bills?](#) (2015).

National Consumer Law Center: [An Ounce of Prevention: A Review of Hospital Financial Assistance Policies in the States](#) (2020) and [Model Medical Debt Protection Act](#) (2019).

Healthcare Financial Management Association: [Best Practices for Resolution of Medical Accounts](#) (2020).

**About Community Catalyst:** Community Catalyst is a leading non-profit national health advocacy organization dedicated to advancing a movement for health equity and justice. We partner with local, state and national advocates to leverage and build power so all people can influence decisions that affect their health. Health systems will not be accountable to people without a fully engaged and organized community voice. That's why we work every day to ensure people's interests are represented wherever important decisions about health and health care are made: in communities, state houses and on Capitol Hill. Follow us on Twitter [@CommCatHealth](#).

