



Hospital Accountability Project Survey Findings 2012-2013

Introduction

The Hospital Accountability Project (HAP) is a joint effort of the Citizens Action Coalition Education Fund and Indiana Legal Services. HAP was originally launched in 2008 with an 18 month grant from Community Catalyst, a national consumer health advocacy organization. The project received local funding in May 2012 from the Nina Mason Pulliam Charitable Trust to continue for another year. HAP has worked to address the significant medical debt problem in Marion County by educating and empowering citizens on their rights and responsibilities as medical consumers and negotiating with non-profit hospitals to improve their charity care and financial assistance policies.

Over the past year, the activities undertaken by HAP have included door-to-door canvassing to collect medical debt surveys and distribute information about upcoming meetings as well as informational brochures. HAP also conducted community meetings throughout the city with the aide of Indiana Legal Services, which provided an opportunity for people to learn about non-profit hospitals' financial assistance programs, how to negotiate their bill, how to re-build bad credit, and ways to avoid bankruptcy. A train-the-trainer luncheon was held for community organizations and direct service providers to help them provide better assistance to their members/clients with medical debt. HAP also met with key hospital leaders to continue discussions about the visibility and accessibility of their financial assistance programs.

Purpose of the Survey

During the first round of the project, one of the initial activities undertaken by HAP was the development of a survey to better understand the experiences and situations of individuals with medical debt. 547 surveys were collected in a 10 month time frame and a report, called *Medical Debt in Indianapolis* was published detailing the findings. (Appendix I and II provide a summary of the survey findings as well as a copy of the survey.) The crux of the report challenged the non-profit hospitals to do a better job of notifying patients about their financial assistance programs and making these programs easier to access and more consumer-friendly.

HAP continued to collect surveys from 2012-2013 in order to support our ongoing negotiations with the hospitals and to monitor whether changes were taking place with regard to notification, increased awareness, and accessibility to non-profit hospitals' financial assistance programs. 442 surveys were collected via door-to-door canvassing, tabling at events, online submissions, and community meetings. A breakdown and summary of the results are listed below. (Please note that every respondent did not respond to every section of the survey.)

Survey Breakdown

442 Collected from May 2012 – April 2013

Insurance Coverage:

- 269 have insurance
- 173 do not have insurance

Use of Insurance:

- 235 use their insurance
- 9 do not use their insurance

Reasons for not using insurance:

- Co-pay too high- 31
- Deductible too high- 19
- Doesn't cover what I need- 11
- Other reasons- 12

Money owed to a hospital:

- 364 individuals/families owe money to a hospital
- 75 do not owe money
- Average owed: \$15,808
- Range from: \$40 to \$1,000,000
- 102 unsure how much owed

Hospitals owed:

- 64 to St. Vincent
- 149 to IU Health
- 31 to St. Francis
- 126 to Community
- 87 to Wishard
- 18 to Other

Insurance at the time debt was incurred:

- 192 with insurance received treatment that resulted in debt
- 180 with no insurance received treatment that resulted in debt

If insured, coverage of any costs:

- 135 insurance did cover some of the cost
- 50 insurance did not cover any of the cost

Problems getting care at a hospital:

- 92 had problems getting care
 - 17 at St. Vincent
 - 27 at IU Health
 - 10 at St. Francis
 - 35 at Community Health
 - 18 at Wishard

- 2 at Other

Avoided hospital visit due to fear of cost:

- 246 did not go to hospital for fear of cost
- 186 were not afraid of the cost

Asked for payment before receiving medical care:

- 86 were asked for payment beforehand
- 343 were not asked for payment beforehand

Told about programs while at the hospital:

- Payment plans are available- 72
- How to apply for Medicare/Medicaid or other government programs- 69
- An application for Medicare/Medicaid or other government programs- 48
- Reduced cost for uninsured/underinsured- 46
- Financial Assistance- 73
- Not told about any help or programs- 252
- No response- 43

Demographics

- Male- 150
- Female- 285
- Average Age- 42
- African American- 219
- Caucasian- 172
- Hispanic- 27
- Other- 12
- Family income average- \$22,134
- Family income range- \$0 to \$116,000
- Full time employment- 112
- Part-time employment- 51
- Self-employed- 18
- Unemployed- 123
- Student- 29
- Retired- 47
- Other- 49 (includes individuals seeking disability or on disability or temporary disability, individuals receiving TANF and receiving help from family and/or friends)
- No response- 38

Survey Summary

As discussed in the first report, medical debt is a well-documented problem in both Indiana and the United States. It is the most common reason for personal bankruptcy filings and is not the exclusive domain of the uninsured. Our data indicates, and is backed up by other national research, that health insurance does not necessarily protect people from incurring large amounts of medical debt. According to a study by the Journal of American Medicine, the majority of people filing bankruptcy for medical bills had health insurance when they incurred medical debt.

The first HAP report showed similar findings and the second round of survey collections is consistent with the initial findings as well. Of the 442 people surveyed, 269 people had health insurance while 173 were without. Of those with insurance, 235 said they utilize their insurance while 9 said they do not. Reasons given for not using insurance included high co-pays and deductibles, insurance not covering what is needed, or other reasons.

Even though over half of the respondents have insurance, 364 individuals/families reported owing money to a hospital. The amount owed ranged from \$40 to \$1,000,000 with an average of \$15,808. 102 respondents were unsure as to the amount owed. Of those that owed money to a hospital, 192 had insurance at the time they incurred the debt with 135 reporting that insurance did cover some of the costs while 50 reported that insurance did not cover any of the costs.

In addition to having hospital debt, survey respondents encountered barriers to care including trouble getting care at a hospital, avoiding a hospital visit due to the fear of the cost, and/or being asked for payment before receiving medical care.

- 92 people had problems getting care.
- 246 people did not go to the hospital for fear of the cost.
- 86 people were asked to pay before receiving medical care.

Survey respondents were asked if they had been told about any help or financial assistance programs while they were at the hospital. We were hopeful that our data would indicate greater public awareness of charity care and financial assistance programs to reflect modest improvements initiated by area hospitals based on our discussions with them. Unfortunately, the data remains consistent with HAP's previous report, indicating that hospitals have much more work to do. Specifically, we asked respondents if they were told about payment plans, how to apply for Medicaid/Medicare or other government programs, an application for Medicaid/Medicare or other government programs, reduced cost for the uninsured/underinsured, financial assistance, or not told about any help or programs. Most troubling is that only 73 people were notified of financial assistance and over half the people surveyed were not told about any programs or help while at the hospital.

- 72- Payment plans are available
- 69-How to apply for Medicaid/Medicare or other government programs
- 48- An application for Medicaid/Medicare or other government programs
- 46- Reduced cost for uninsured/underinsured
- 73- Financial assistance
- 43- No response
- 252- Not told about any help or programs

The lack of notification and awareness about non-profit hospital's financial assistance programs has been a consistent problem in Indianapolis and supports what has been reported nationally that these programs remain a "best kept secret." In light of long-standing state law requiring notification and signage about hospital's charity care and financial assistance programs as well as new requirements under the Affordable Care Act, the high volume of people unaware of the programs is unacceptable and begs the question, "Are the hospitals doing enough?" It is apparent that more needs to be done to communicate these benefits effectively and consistently to patients and to the public.

Of even more concern is that the medical debt problem will only be exacerbated by Indiana's recent decision not to accept federal dollars to provide increased access to affordable healthcare for low-income Hoosiers via a Medicaid expansion. Hoosiers least able to afford care will be forgotten and left with no real, viable option for their medical needs. Hospitals will not only continue to experience crowded emergency rooms, shifting costs to others and driving up premiums, but will also eventually see their federal payments for providing care to the needy significantly cut, hitting Indianapolis hospitals particularly hard given the large number of low-income patients they serve.

We do recognize that the problem is not the hospitals alone to solve. Issues of medical debt, costs for healthcare, and affordable coverage are complex. However, there remains a plethora of opportunities and ways for hospitals to ensure that people who need help can access it. Too many people are falling through the cracks simply because they are unaware that assistance is available; we continue to believe that hospitals must work more collaboratively with community organizations to raise awareness about charity care. The onus for solving the medical debt problem must be shifted and placed where it rightly belongs; off of people with fixed incomes, the single mother working multiple jobs, or the family living paycheck to paycheck and onto the not-for-profit-hospitals that reap millions of dollars of benefit from their charitable tax status.

HAP RECOMMENDATIONS

Public Notification

1. Information that services are available at no or reduced cost must be clearly posted in a variety of places throughout the hospital, on the hospital website, and throughout the community. This should include:
 - a. Posted in all waiting rooms
 - b. Provided verbally and in writing at the time an individual registers or pre-registers with the hospital.
 - c. Provided verbally when an individual contacts the hospital requesting an appointment, and in any documents that are sent to the individual prior to the appointment.
 - d. The hospital employee responsible for getting signatures on discharge papers should be required to remind the patient and/or their family that the hospital has a financial assistance program, and application papers should be provided in the discharge packet.
 - e. Post relevant information at local community organizations and/or faith based organizations and the township trustee.
 - f. Prominently posted on the hospital website

g. Include information on the types of discounts that are available and detailed information on eligibility guidelines.

h. Posted notices should be large in size and use terms and words that are easy for all to understand.

2. Areas that have information posted on community benefit programs should also contain applications for all relevant government insurance programs such as Medicaid, Medicare, Healthy Indiana Plan and Hoosier Healthwise with assistance provided in filing for benefits as needed.
3. Information posted should be available in alternate languages as well as alternate formats for individuals with disabilities.
4. Staff working in areas such as hospital clinics, billing departments, emergency rooms and other relevant areas should be provided adequate information on the types of charity care and community benefits available at the hospital. These individuals should be able to explain the programs and services to anyone when asked and be able to answer questions or direct the patient to someone who can provide an accurate answer within a short period of time.
5. Detailed information and all applications should be available via the hospital's website.

Billing/Payment Plans for Community Benefits – All billing must be clear, concise and easy to understand.

1. Upon discharge from care, the patient must be reminded that the hospital has a financial assistance program that may be able to help with payment of bills.
2. Any and all bills sent to a patient must include information on available payment plans as well as other assistance that may help with the payment of outstanding debt.
3. If there is no response following multiple written correspondence, protocol should be established for attempting to contact the individual in person or by phone prior to sending unpaid bills to a debt collection service.
4. Payment plans MUST be designed with cooperation between the hospital and the patient. Payments must be reasonable based on the individual income and expenses and not based on a rigid pre-determined income scale.
5. Individuals who have trouble paying for care should be provided applications to appropriate health insurance such as Medicaid, Medicare, HIP and Hoosier Healthwise. As appropriate these individuals should also be provided assistance in completing these application forms.
6. Establishing partnerships with local community and faith based organizations to help with providing education and information on payment plans and community benefits.

Additional items to consider:

1. At all "Health Fairs" and other community outreach events, information should be available in the form of brochures or other written materials that inform attendees of financial assistance that is available from the hospital.

2. All staff who may answer the phone – whether in billing or general operators – must have information on who to contact when individuals call asking for financial assistance and/or community benefits and should have basic information on the type of financial assistance that may be available.
3. Financial assistance counselors/appropriate staff must be available at all times in the emergency room to provide information on financial assistance and to answer questions.

Appendix I

First Survey results: 2009 – 2010

The HAP survey was created to help us understand the scope of the hospital debt problem in Indianapolis; and to determine how aware patients with debt are of community benefits/financial assistance programs. 547 surveys were collected at community meetings, neighborhood centers, community fairs, farmers markets and by door-to-door canvassing.

Demographic breakdown shows that 388 of the respondents were women and the average age was 44. In addition, 66 respondents were covered by Medicaid or Medicare, with 10 covered by both programs, the average age for this group was 52. Family incomes ranged from \$0 to \$100,000 with 121 saying they are working full-time; 52 working part-time; and 167 stating they are unemployed. There were also 105 who checked an “other” category for employment. This included individuals seeking disability, on disability or temporary disability as well as individuals receiving help from friends and family.

Numerous national studies and reports show that insurance does not protect one from hospital debt. Our HAP survey results support similar findings in Indianapolis. Of the 547 individuals responding, 267 reported having insurance and 211 reported being uninsured, with 66 covered by Medicaid and/or Medicare. Of those with insurance, 183 reported that they utilize the insurance, while 19 say they do not. Reasons given for not using insurance included:

- Co-pay too high – 34
- Deductible too high – 28
- Insurance not covering what is needed - 35
- Other reasons – 19

Despite the fact that more than half of the respondents reported having insurance either private or Medicaid/Medicare, 440 individuals reported owing money to a hospital. Furthermore, 249 respondents reported that they had insurance when they received treatment that resulted in debt. And, 177 reported that insurance covered only a portion of the costs, while 59 report insurance did not cover any of the costs. The amount owed to hospitals ranged from \$750,000 to \$20.

- Of the 51 individuals with Medicaid and/or Medicare that owed money to hospitals, the averaged owed was \$25,669. The amounts owed by all ranged from \$200,000 to \$100.
- Of the 389 others who owed hospital debt, the averaged owed was \$22,724 and ranged from \$750,000 to \$20. The average amount owed for those with \$100,000 or less in debt was \$13,250.

Respondents also reported having difficulties accessing care, in addition to having hospital debt:

- 95 respondents reported having trouble getting care at a hospital;
- 250 reported not going to the hospital because they are scared of the cost; and
- 110 reported being asked to pay before receiving medical care. This includes being asked to pay co-payments prior to treatment. Some report that they were able to make payments on these charges, while others were told to come back when they had the money.

We also asked respondents to state whether they had been told about any help or financial assistance programs while at the hospital. Specifically, we asked respondents:

While at the hospital were you told about (check all that apply)

105 - Payment plans are available

- 61 - How to apply for Medicaid/Medicare or other government program
- 35 - An application for Medicaid/Medicare or other government program.
- 50 - Reduced costs for uninsured or underinsured
- 249 - Not told about any help or programs

These results are troubling since state law requires nonprofit hospitals to develop a written notice about any charity care program and the application process for such programs and posts notices in various locations in the hospital. Our survey suggests that such programs are not being communicated effectively to patients and the public. In fact, almost half of our respondents marked that they had not been told of any help or programs.

In addition, anecdotal reports to HAP canvassers and staff included:

- Reports of a financial aid office that was never staffed.
- Statements that individuals told hospital staff that they had no insurance and were never told that they might be eligible for financial assistance.
- Reports that individuals had called to ask about help with bills, were asked question by phone, and then told they were not eligible for programs.

Appendix II

The Citizens Action Coalition Education Fund (CACEF) is the research and education arm of the Citizens Action Coalition (CAC), Indiana's oldest and largest consumer rights group. Both CAC and CACEF work for fair utility rates, affordable health care, and a clean environment.

CACEF is working on the Hospital Accountability Project (HAP) in Marion County. The project's goal is to ensure that non-profit hospitals in Indianapolis earn the tax breaks they receive by providing an adequate amount of financial assistance/charity care to underinsured and uninsured citizens.

Your response to this survey will help us understand how local hospital practices are affecting individuals and families in Marion County. If you have problems with hospital bills, please complete the survey below. No personal information provided will be used without obtaining your permission first.

Do you have health insurance? Yes No

If Yes: Do you use it? Yes No

If you don't use your insurance, why?

Co-pay too high Deductible too high Doesn't cover what I need

Other _____

Do you owe money to a hospital?

Yes – approximately, how much? _____

No

What hospital(s) do you owe?

St. Vincent St. Francis

IU Health Community Hospital

Other _____

Did you have insurance when you received treatment that resulted in the debt?

Yes No

If Yes, did the insurance cover any of the costs?

Yes No

Have you had problems getting care at a hospital?

Yes- What Hospital – please mark all that are appropriate

St. Vincent St. Francis

IU Health Community Hospital

Other _____

Have you or someone in your family not gone to the hospital because you were scared of the cost? Yes No

Did the hospital ask you to pay before you received medical care?

Yes No

While at the hospital were you told about (check all that apply)

Payment plans are available **Not told about any help or programs**

How to apply for Medicaid/Medicare or other government programs

An application for Medicaid/Medicare or other government programs

Reduced cost for uninsured or underinsured

Financial Assistance

DEMOGRAPHIC INFORMATION

We are collecting this information to help with our data collection – we appreciate you providing the information requested, however it is not required.

Gender: Male Female **Age:** _____

Ethnicity:

Black/African American

White/Caucasian

Hispanic

Other

Total family income (before taxes): \$ _____

Current employment status:

Full time

Part-time (how many jobs? _____)

Self-Employed

Unemployed

Student

Retired

Other (please describe) _____

Zip Code: _____

Another part of HAP will include community meetings which will provide important information on how to access the world of financial assistance at non-profit hospitals. There will also be free training in consumer advocacy, ways to negotiate hospital bills, managing debt, and how to avoid bankruptcy. If needed, free legal advice is available at the end of the meeting. Please provide your contact information so you can receive a mailing about an upcoming meeting.

Name: _____

Address: _____

Phone # _____ **Alternate #** _____

e-mail _____

Is there an alternate way to reach you? _____
