

## THE MEDICAL DEBT CRISIS REPORT SYNOPSIS:

This report is the first in a series that examined the impact of hospital debt and the strength of the hospital safety net in Indianapolis. We intended these reports to serve as the basis for ongoing dialogue among nonprofit hospitals, community members, and consumer advocates to ensure that communities needing help are able to access information and hospital services. Funding for this Project comes from a grant from Community Catalyst.

The initial report provides a general overview of state and federal law related to community benefits and charity care and also outlines the results from the survey. Some of the highlights from the survey include findings that insurance does not protect one from hospital debt. Out of 547 people surveyed, 333 had insurance, yet 440 individuals reported owing money to a hospital. The amount of debt owed by respondents ranged significantly from \$750,000 to \$20. The average owed for the 51 individuals with Medicaid and/or Medicare was \$22,228. The average owed for the 389 others was \$22,652. Also troubling was that almost half of the respondents indicated that they had not been told of any financial assistance or other programs when they were at the hospital. The findings also raise questions about the adequacy of state oversight of hospital community benefit programs, as well as the effectiveness of the strategies hospitals may currently be using to communicate these programs to patients.

These findings support much of what has been reported nationally: in Indiana, hospital charity care is a secret to many patients who are truly in need of safety net services. While the findings from the surveys are disturbing to review, they do begin to demonstrate that improvements need to be made. Indiana nonprofit hospital community benefit programs should not be a “Best Kept Secret.”

Initial recommendations for nonprofit hospitals to consider increasing public awareness of community charity care programs were presented at the end of the report. HAP recommends that public notification of services available must be clearly posted in a variety of places, in alternate languages, throughout the hospital, on the hospital website, and throughout the community. Hospital staff should be provided adequate information on the types of charity care and community benefits available and be able to explain the programs and services to patients. HAP makes further recommendations in regards to hospitals’ billing/payment plans stating that all billing must be clear, concise, and easy to understand. Payment plans must be designed jointly between the hospital and patient with consideration given to the person’s income and expenses. Also, applications should be provided for appropriate public health insurance or hospital financial aid if the patient has trouble paying for care as well as assistance completing these application forms. In order to best accomplish these goals, establishing partnerships with local community and faith-based organizations was stressed, as they are helpful in providing/aiding the consumer in information on payment plans, community benefits, and their overall rights as a consumer.