



May 1st, 2023

To: Members of the Senate Committee on Health Care

Fr: Matt Swanson, SEIU Oregon State Council

Re: Support for HB 3320A

My name is Matt Swanson, and I am here representing the Service Employees International Union (SEIU). SEIU is an organization of 85,000 working Oregonians who are members of our Union. Our mission is to achieve a higher standard of living for our members, their families, and dependents by elevating their social conditions and by striving to create a more just society.

We submit this testimony in favor of HB 3320A.

For years, SEIU has been interested the topic of nonprofit hospital financial assistance, also sometimes referred to as charity care, because we too-often hear workers discuss how unaffordable healthcare is -- or how being sent to collections for medical bills has made it hard to manage day-to-day essentials like housing, food and childcare.

Hospital financial assistance isn't a solution to the fundamental problem of rising healthcare costs. However, it is an important tool to ensure no one goes without care because they're afraid they can't pay – and that nonprofit hospitals are living up to their missions to make sure care is accessible to all.

Recent findings regarding the accessibility of hospital financial assistance make us deeply concerned that Oregon law is not being followed. Despite updates to Oregon law in 2019 through the passage of HB3076, a recent implementation report released by OHA,¹ a report compiled by SEIU last fall (attached),² and a recent report published by the nonprofit Dollar For³ have demonstrated that patients are experiencing serious challenges accessing the financial assistance they are legally entitled to.

Here are some of the highlights from HB 3320A:

Ensure eligible patients get access to financial assistance.

House Bill 3320-A will increase access to financial assistance and reduce the number of Oregonians sent to debt collection as a result of receiving medical services.

- Make information about financial assistance more prominent by featuring the information in multiple locations, including on hospital website homepages.
- Require hospitals to accept applications online in addition to other methods.

¹ [HB 3076 Implementation Report, Oregon Health Authority](#), December 2022.

² [SHORTCHANGED: How hospital financial assistance practices and policies are failing Oregon patients with the greatest need](#), SEIU Local 49, October 2022.

³ [Pointless Debt, Dollar For](#), February 2023.

- Screen patients with bills of \$500 or more for presumptive eligibility for financial assistance. For patients determined eligible through this screening process, the financial assistance amount will be applied before the patient receives a bill.
- If a patient applies for and is found to be eligible for financial assistance after the patient has already paid, they will receive a refund for those payments.
- Require hospitals to have a process for a patient to appeal a hospital's denial of financial assistance.

Improve transparency about hospital financial assistance practices.

House Bill 3320 A will increase transparency about how much assistance hospitals are providing by requiring annual reporting about, for example:

- Total financial assistance applications the hospital/clinic received
- Total patients that qualified for free or discounted care
- Total accounts sent to collections
- Total accounts taken to court over their debt

Based on our research, the provisions of HB 3320A would address key challenges patients are facing accessing the financial assistance that they are required to have available to them by law.

1.) HB3320 would make information about financial assistance more prominent and make the application process less burdensome on patients.

Unless patients know specifically what to look for or ask for, information about financial assistance can be difficult to find—despite legal requirements that hospitals “widely publicize” its availability.⁴ In our experience, very few patients have any idea that financial assistance exists, nor that they are legally entitled to it.

Troublingly, some hospitals appear to be using this to their advantage by obscuring information about this assistance or hiding it deep in the labyrinths of their websites. To address this problem, HB3320 would require hospitals and their associated clinics make information about financial assistance accessible on their website homepage via a single click, as well as prominently on all billing webpages.

In addition, the financial assistance application process remains largely stuck in the pre-Internet era—far behind the technological savvy and preferences of patients. In SEIU’s recent analysis of ten large Oregon health systems, the majority appeared to only accept applications by fax, mail, or in person.⁵ Only a handful of systems provided the option to submit applications by email, and Kaiser and PeaceHealth were the only systems offering online applications.⁶

The limited methods by which patients can apply for financial assistance can create barriers for those most in need. Very few low-income people have reliable access to a fax machine, and many do not have a way to print documents at home—let alone the time to drop off an application in person. Meanwhile, 85 percent of US adults own a smartphone,⁷ and research increasingly demonstrates that people with

⁴ [Financial Assistance Policies \(FAPs\) | Internal Revenue Service \(irs.gov\)](#)

⁵ [SHORTCHANGED](#), SEIU Local 49, October 2022, p 9.

⁶ [SHORTCHANGED](#), SEIU Local 49, October 2022, p 9.

⁷ Pew Research Center. [Demographics of Mobile Device Ownership and Adoption in the United States](#). April 2021.

the lowest incomes and Black and Latinx adults are far more likely to be reliant on smartphones as their primary method of accessing the information on the Internet.⁸

HB3320 would require that, in addition to current application methods, hospitals and clinics offer a mobile-friendly online application and accept applications by email. In addition, to reduce administrative burden for patients and health systems, HB320 would mandate that eligibility for financial assistance will continue for 12 months following a hospital's determination that the patient qualifies.

2.) HB3320 would end the hospital practice of billing patients who are clearly eligible for assistance.

Oregon law currently requires that health systems screen patients for financial assistance prior to sending their accounts to collections, but this is often too late in the process. From the moment patients receive a bill, they feel pressured to pay.

In our conversations with dozens of patients with medical debt in Oregon, some expressed that even though paying the bill was nearly impossible, they paid because they were grateful for the lifesaving care they received or because they were scared that not paying on time would damage a hard-earned credit score. At the same time, few were ever informed that financial assistance was an option for them, despite being unemployed, underinsured or making so little that their children qualified for the Oregon Health Plan.

HB3320 would amend the law to ensure hospitals screen patients for financial assistance eligibility before billing, not just before collections. This is possible because it is common industry practice for health systems to utilize sophisticated software models that evaluate each individual patient's ability to pay based on publicly available financial or other records (such as household income, household size, and credit and payment history) and "presumptively" qualify them for financial assistance.

This practice was the subject of an in-depth investigation by *The Wall Street Journal*, which concluded that although health systems have extremely accurate tools to determine eligibility, most still continue to bill patients to extract payment. The authors wrote, "Even among the hospitals that told the IRS they do prequalify people, many spent months chasing patients for payment before checking eligibility. The parent organizations for roughly 1,000 of those facilities reported pursuing at least \$2 billion in billings to patients who likely qualified for aid."⁹

Concern over sending assistance-eligible patients to collections hit close to home, as Providence Health & Services, our state's largest health care system was at the center of a 2022 lawsuit filed by the Washington State Attorney General and subsequent front-page *New York Times* investigations. The lawsuit alleges: "Even though Providence knows that patients with low propensity to pay scores are likely charity care qualified as early as 45 days in the billing cycle, it takes no steps to inform patients of their likely eligibility for charity care. Instead, Providence continues to attempt to collect payment from those patients, including by sending bills at 60 and 90 days and a pre-collect letter, before it evaluates them for presumptive charity care...or sends their accounts to Debt Collectors."¹⁰ The Oregon DOJ is currently conducting its own consumer protection investigation into Providence.¹¹

⁸ Ibid.

⁹ "[Hospitals Often Don't Help Needy Patients. Even Those Who Qualify: Some make getting aid hard, delay checking eligibility and press for payments that aren't refunded.](#)" *Wall Street Journal*. Nov 17, 2022.

¹⁰ State of WA v. Providence, page 20, section 4.60.

¹¹ "[Providence Health faces Oregon consumer protection investigation](#)" *The Oregonian*, October 13, 2022.

In addition, analysis by Dollar For, a nonprofit that assists patients with accessing financial assistance, found additional evidence of noncompliance with this part of the statute. For example, they uncovered collections cases for bills from Asante and St. Charles bills where the defendant's gross wages in court documents suggest they earn well below 200% of federal poverty level and are likely eligible for assistance.¹²

Presumptively granting assistance is key not only to prevent unnecessary debt, but also has the potential to improve health equity by allowing eligible patients to forgo the traditional application process. Two Harvard researchers recently found that the more administrative tasks a patient has to complete to get healthcare, the more likely they are to skip or delay that care.¹³ Unsurprisingly, they found that these burdens were unequally distributed: adults with disabilities and women were more likely to have to complete these tasks, causing them to miss out on needed care. Conversely, white adults and adults with higher incomes, who likely have more time and resources to tackle these administrative hurdles, were less likely to delay or forgo care because of them.

3.) HB3320 would ensure patients are issued refunds if they are later found to be eligible for assistance and that they have access to a fair process to appeal denials.

Currently, hospitals are not required to refund patients' previous payments if they are later found to be eligible for financial assistance. This can be a serious financial strain for eligible patients who are funneled into payment plans in amounts they are unable to afford for months until their application is approved. HB3320 will ensure that patients are refunded any payments they've already made for their care, plus interest.

In addition, HB3320 will ensure that every hospital has an easy-to-understand process that is fair and consistent for appealing the denial of financial assistance. During the time the appeal is being reviewed, hospitals must suspend all collection activities.

4.) HB3320 would increase transparency about hospital financial assistance practices through standardized data reporting.

Health systems and hospitals are required to submit information about community benefit spending annually, but these data lack sufficient detail about their financial assistance practices. HB3320 would require hospitals to submit annual reporting of standardized information, such as:

- How many financial assistance applications did the hospital/clinic receive?
- How many patients qualified for free or discounted care?
- How many accounts were sent to collections?
- How many accounts were taken to court over their debt?

This data will help establish a clear picture so that all parties can understand to what extent patients and communities are being assisted by their hospital.

¹² [Pointless Debt, Dollar For](#), February 2023.

¹³ [SHORTCHANGED](#), SEIU Local 49, October 2022.

We urge members of the committee to support HB3320. These necessary updates to the law will ensure all nonprofit hospitals are held to the same standard of making financial assistance accessible for patients entitled to free or discounted care.

We have worked with stakeholders to focus on compliance with the law, including more universal screenings prior to billing and improved recovery provisions for patients that have been incorrectly routed to collections. While the bill as introduced included civil penalty enforcement provisions by the Oregon Health Authority, subsequent amendments will focus on improved experience for patients. The law will still be enforced by either private enforcement or the state's Attorney General.

We appreciate your attention to this topic and believe these updates will benefit patients and families across the state of Oregon.

Sincerely,

Matt Swanson