

# Protecting New Yorkers from Medical Debt



**#ENDMEDICALDEBT**

February 24, 2023 – NY Health Event



# Agenda

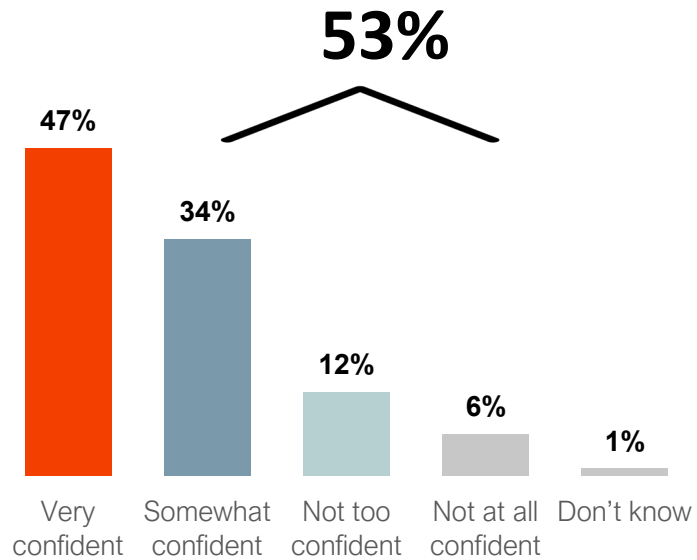


**#ENDMEDICALDEBT**

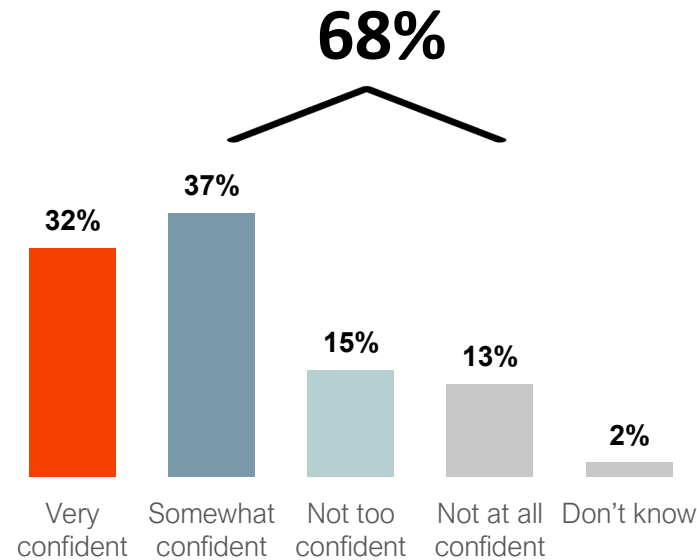
- 1. Medical debt prevalence evidence**
- 2. Civil court research results**
- 3. New medical debt protection laws**
  - Statute of limitations reform (2020)
  - Judgment interest rate reform (2021)
  - Ban on liens/wage garnishment (2022)
  - Regulation of facility fees (2022)
- 4. What needs to happen next?**

# Half of New Yorkers express uncertainty about paying for usual healthcare services; 7 in 10 aren't very confident about paying for costs related to a major illness.

Q: Generally speaking, how confident are you that you have enough money or health insurance to pay the medical costs for the USUAL healthcare services that you or your family require?



Q: How confident are you that you have enough money or health insurance to pay the medical costs if you or a family member has a MAJOR ILLNESS?



	USUAL SERVICES	MAJOR ILLNESS
<b>% NOT VERY CONFIDENT</b>	53%	68%
Women	54%	69%
Men	52%	67%
18 to 34	60%	74%
35 to 54	56%	71%
55 to 64	49%	64%
65+	44%	58%
Black	55%	71%
Latino/Hispanic	58%	76%
White	49%	66%
Less than \$30K	64%	78%
\$30K to \$50K	53%	73%
\$50K to \$75K	59%	66%
\$75K to \$100K	48%	62%
\$100K or more	40%	57%
Democrats	47%	63%
Independents	62%	75%
Republicans	48%	65%
Buffalo/Rochester*	51%	70%
Long Island	51%	66%
NYC 5 Boroughs	52%	68%
Westchester / Hudson Valley	59%	68%
Rest of NY State	58%	70%

\*See Appendix for details on counties by region.

# Public opinion is engaged

**TIMES UNION**

**Report: Local hospitals filed hundreds of liens on patient homes over medical debt**

Proposed law seeks to bar New York hospitals from filing liens, garnishing wages over unpaid medical bills

[Bethany Bump](#)  
Nov. 10, 2021 Updated: Nov. 10, 2021 6:46 p.m.

**Bloomberg Businessweek**

Medical Debt Is Crushing Black s, and Aren't ng

**NYMEDIA** [social icons]

harm on patients—and aren't even aware of the s. follow

**OPINION**

**Hospitals must stop placing liens on medical debtors' homes**

By **DAILY NEWS EDITORIAL BOARD**  
NEW YORK DAILY NEWS  
NOV 14, 2021 AT 4:00 AM

[social icons]

**syracuse.com**

**POLITICO PRO**  
CITY AND LOCAL GOVERNMENT & 7 OTHERS

Lawmakers target hospital collection practices in wake report

BY: **SHANNON YOUNG** | 11/10/2021 01:01 PM EST

**New report shows thousands of New Yorkers at risk of housing insecurity due to medical debt**

Nonprofit hospitals placed liens on thousands of New Yorkers' homes,

## The New York Times

### *One Hospital System Sued 2,500 Patients After Pandemic Hit*

The largest health system in New York, led by a close ally of the governor, continued to sue over medical debt during the Covid-19 crisis, even after other big hospitals suspended lawsuits.

Opinion

**NY should ban liens on patients' homes over medical debts (Editorial Board Opinion)**

**Modern Healthcare**

NEWS DIGITAL HEALTH INSIGHTS DATA/LISTS OP-ED AWARDS

November 12, 2021 01:38 PM

**Report: New York hospitals have thousands of liens on patients' bills**

CRAIN'S NEW YORK BUSINESS [email icon]

Maya Kaufman

# Research indicates that medical debt is a public health concern for low-income patients & patients of color

- **CFPB (2022)** Analysis of credit reports
  - 20% of people have medical debt
  - 58% of debt on credit reports are medical bills
  - Disparities: 28% Black, 22% Latinx, 17% White, 10% Asian
- **JAMA (2021)** review of 40 million people's credit reports
  - 18% people have medical debt
  - Worse in states that did not expand Medicaid (e.g. South vs. NE)
  - Retrospective review: expanding Medicaid lowered medical debt by 34% on average



# Medical Debt In New York



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- **Medical debt is a crisis in NY too**
  - Community Health Advocates had a **64% increase** in medical debt cases ('19-'22)
- **Lawsuit data analysis of all 62 civil court databases reveals:**
  - Hospitals have sued 54,000 New Yorkers between 2015-2020
  - Average lawsuit is for **\$1,900**
  - Hospitals are always represented, patients rarely are
  - 98% **default rate**
  - Analysis of random sampling of court files indicates **low-income patients** and **patients of color** are **targeted** for medical debt actions
  - Thousands of **liens on patients' homes** and **wage garnishments**
  - Many hospitals never sue at all

Sources: *Discharged Into Debt*, March 2020, [Discharged](https://www.cssny.org/publications/entry/discharged-into-debt-new-yorks-nonprofit-hospitals-garnish-patients-wages) Into Debt: Nonprofit Hospitals File Liens on Patients' Homes, November 2021, <https://www.cssny.org/publications/entry/discharged-into-debt-new-yorks-nonprofit-hospitals-garnish-patients-wages>; *Discharged Into Debt: New York's Nonprofit Hospitals Garnish Patients' Wages*, July 2022, <https://www.cssny.org/publications/entry/discharged-into-debt-new-yorks-nonprofit-hospitals-garnish-patients-wages>

# KEY COUNTIES

THESE 15 COUNTIES REPRESENT THE BULK OF MEDICAL DEBT LAWSUITS IN NEW YORK STATE WITH

44,633 LAWSUITS

THAT'S 85% OF ALL MEDICAL DEBT LAWSUITS IN NEW YORK STATE



# Discharged Into Debt series

- **Discharged Into Debt series of reports revealed:**
  - **Pandemic (1/21)**: Hospitals sued 5,000 New Yorkers during the pandemic
  - **Racial Disparities**: Significant racial disparities in medical debt
    - 200-400% more common in majority minority zip codes in (Westchester, Albany, Monroe, Onondaga, Erie, and Schenectady counties)
    - **Albany (3/21)**: :
      - 65% of lawsuits filed in zips w/high proportion of people of color
      - 50% of lawsuits filed in zips where family income is less than 200% of the FPL, far below the income limit in State’s hospital financial assistance law
  - **SUNY Upstate (12/22)** – Syracuse
    - Sues more patients than any other hospital in the state – 1,500 a year
    - Patients sued during AG moratorium
    - 25% in majority minority zip codes; 51% in disproportionately minority zip codes
    - 77% in low- or modest-income zip codes



Sources: *Discharged Into Debt: A Pandemic Update, January 2021*; <https://www.cssny.org/publications/entry/discharged-into-debt-a-pandemic-update> Urban Institute, [Debt in America: An Interactive Map \(urban.org\)](https://www.urban.org); *Discharged Into Debt: Medical Debt and Racial Disparities in Albany County, March 2021*, <https://www.cssny.org/publications/entry/discharged-into-debt-medical-debt-and-racial-disparities-in-albany-county>; *Discharged Into Debt: Hospital Profile – Upstate University Hospital, December 2022*; <https://www.cssny.org/publications/entry/discharged-into-debt-hospital-profile-upstate-university-hospital>



# The #EndMedicalDebt Package



#ENDMEDICALDEBT

## ✓ Passed & signed

- ✓ **2021: Judgment interest rate** reduced from 9% to 2% for consumer/medical debt
- ✓ **2020: Statute of limitations** reduced from 6 to 3 years for medical debt

## ✓ Passed & signed

- ✓ **2022: Ban on Liens and Wage Garnishments** for medical debt
- ✓ **2022: Regulate Facility Fees**  
This law **bans facility fees** for **preventive care** and requires providers to **tell patients about** them beforehand

# Policy update



#ENDMEDICALDEBT

- **Ounce of Prevention Act**

- NY hospitals are non-profits & get \$1 billion annually to offer Hospital Financial Assistance
  - So why are so many people being harassed and sued?
- The Ounce of Prevention Act would:
  - Create 1 common application form (in Gov's Budget bill)
  - Simplify and increase income eligibility limits
  - Eliminate obsolete rules and streamline applications

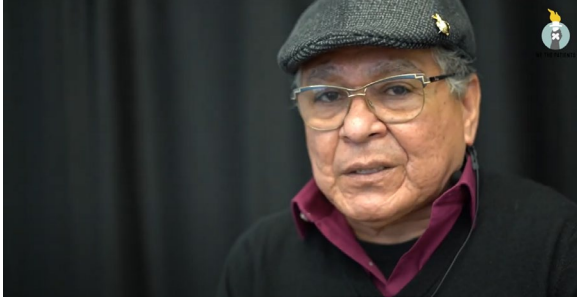
- **Fair Medical Debt Reporting Act**

- Bans the reporting of medical debt to consumer credit reporting agencies

- **Immigrant debt**

- Immigrant debt and health disparities would be abated if ineligible immigrants were included in NYS's [1332 waiver request](#)

# What can YOU do to help #EndMedicalDebt?



Share YOUR story.



Contact us at [WeThePatientsNY.org](https://www.WeThePatientsNY.org)



Write, record or tell your story



Follow us: [@WeThePatientsNY](https://twitter.com/WeThePatientsNY); [@HCFANY](https://twitter.com/HCFANY); [@CSSNYorg](https://twitter.com/CSSNYorg)

# Thank you!

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**[www.communityhealthadvocates.org](http://www.communityhealthadvocates.org)**