

[New Report: A 50-State Review Finds Many States Lacking Hospital Financial Assistance Programs](#)

FOR IMMEDIATE RELEASE: January 14, 2019

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[Download](#) the report, including appendices summarizing 50 states and Washington, D.C.'s financial assistance plans.

The National Consumer Law Center Provides a Blueprint for States to Adopt

Boston - With more than 27 million Americans lacking health insurance and almost 50% of nonelderly adults with inadequate insurance that includes high deductibles and significant out-of-pocket costs, an increasing number of families are burdened with medical debt. A new 50-state review by the National Consumer Law Center examines hospital financial assistance plans for each state and the District of Columbia, and looks at the level of financial assistance mandated, or not, in each jurisdiction.

“Medical debt burdens tens of millions of consumers, with low-income families hit the hardest,” **said author Andrea Bopp Stark, a staff attorney at the National Consumer Law Center.** “At a minimum, states should mandate that all hospitals create a comprehensive financial assistance policy addressing free and discount care, and include clear minimum eligibility criteria for both uninsured and underinsured patients as detailed in NCLC’s [Model Medical Debt Protection Act](#).”

[An Ounce of Prevention: A Review of Hospital Financial Assistance Policies in the United](#) notes:

- 20% of uninsured adults went without needed medical care in 2018 because of the cost (*Kaiser Health News*)
- 59% of people contacted by a debt collector said it was over a medical debt (Consumer Financial Protection Bureau or CFPB)
- 20% of Americans have at least one medical debt collection item on their credit reports (CFPB)
- 66% of all bankruptcies were tied to the cost of medical care or time lost from work due to an illness or injury (*American Journal of Public Health*)
- Demographics of those likely to lack health insurance: low income working adults (58%), young adults (44%), and Latinx adults (35%), per The Commonwealth Fund.

The Affordable Care Act requires certain nonprofit hospitals with 501(c)(3) status to provide community benefits, including financial assistance for low-income patients. Requirements include establishing a written Financial Assistance Policy (FAP) and a written Emergency Medical Care Policy. However, these requirements apply only to nonprofit hospitals, and the ACA and its implementing regulations do not specify any minimum standards or eligibility criteria for financial assistance. If a nonprofit hospital fails to comply with these requirements, the patient does not have a private right of action under the statute to seek redress for noncompliance, as only the IRS can enforce these requirements.

Just ten states have enacted laws that require hospitals to provide a full spectrum of free and discount care for patients under specific eligibility standards, primarily based on income.

California, Connecticut Illinois, Maine, Maryland, New Jersey, New York, Nevada, Rhode Island, and Washington have already adopted policies along these lines. Five states (**Hawaii, Montana, New Hampshire, Wisconsin, and Wyoming**) have *no* financial assistance requirements or guidelines for hospitals caring for low-income patients with no or inadequate health insurance, and many states have very limited assistance.

The report includes eight appendices that summarize each jurisdiction's type of financial assistance as well as who is eligible, the source of funding for the plans, and that statutes (if any) that mandate the assistance.