



Groups Urge Marion County Hospitals to Increase Commitment to Charity Medical Care; Survey Finds Huge Need But Little Information About Programs to Help

Indianapolis: Marion County's nonprofit hospitals must increase their commitment to charity medical care according to a 9-month study conducted by the Hospital Accountability Project (HAP), a joint venture undertaken by the Citizens Action Coalition Education Fund (CACEF), Indiana Legal Services (ILS) and Community Catalyst. The HAP study revealed that almost half of the survey's respondents were not told by the hospitals' staff of any available government, private or hospital programs help to cover their costs.

HAP is working to ensure that nonprofit hospitals in Marion County --- Clarian Health (Indiana University, Riley and Methodist), Community Hospital East, North and South, St. Francis and St. Vincent --- earn the tax breaks they receive by providing an adequate amount of charity care to underinsured and uninsured persons.

The study conducted from September 2009 through June 2010, polled 547 persons who had been patients at Marion County hospitals. The surveys were completed by door-to-door canvassing, at neighborhood "Health Fairs," block parties, community center meetings and at other community events.

The HAP survey found the following:

- **Health insurance does not necessarily protect one from hospital debt;**
- **The amount of debt owed by respondents ranged from \$20 to \$750,000;**
- **Almost half of respondents marked that they had not been told of any financial assistance or other programs when they were at the hospital;**
- **Even though Indiana state law requires hospitals to post notices of community benefits and financial assistance, the majority of survey respondents were surprised to hear that they might have been eligible for financial assistance.**

In addition to the research and advocacy, HAP holds monthly community meetings where consumers can learn about their legal rights and how to negotiate with hospitals. The next meeting will be Tuesday, July 27th, beginning AT 5:00 p.m. at the Hawthorne Community Center located at 2440 West Ohio Street in Indianapolis.

Beryl Cohen, the HAP Project Director and author of the study said, "medical debt is a huge problem in Indianapolis that is putting many families at risk of losing their life-long savings, homes, credit ratings and futures. Hospitals must step up and do better jobs of letting patients know what help might be available."

"The new federal health reform law requires hospitals to increase the visibility of their charity care programs and our research indicates that the new law is needed," added Cohen. "We hope to partner with area hospitals to identify community needs and improve community benefit programs in Marion County. These programs must not continue to be the best kept secret."

The HAP survey takes place at a time when medical bills contributed to 62% of all U.S. bankruptcies. Bankruptcies attributed to medical problems rose 62% between 2001 and 2007, according to a study published in the American Journal of Medicine. The study found that most of the medically bankrupt families were middle class and that most filing for bankruptcy had health insurance when they got sick.

Steve Byers, the Managing Attorney for Indiana Legal Services' Indianapolis Office, said, "short of filing for bankruptcy, my staff sees many families where high medical debt has caused home foreclosures and severe family strife, resulting in divorces and uprooting children from their customary schools."

Charity care and community benefit programs are important components of our health care safety net, often serving as the only alternative for low- and moderate-income individuals who lack affordable health insurance coverage to receive appropriate care. The strong correlation of high medical debt and bankruptcies demonstrate the need for well-structured, well-communicated effective hospital benefit programs including free or reduced-cost care.

In return for significant federal, state and local tax breaks, nonprofit hospitals are expected to provide a certain amount of community benefits that is unreimbursed goods, resources and services to persons who are uninsured, underinsured or underserved.

Indiana statutes require nonprofit hospitals to provide unreimbursed community benefit programs, including charity care; for conducting community assessments on health care needs, for creating community benefit plans to meet those needs, for evaluating the effectiveness of the community benefit plan and annual reporting. State law also outlines what hospitals must do to notify patients of available programs and requires annual reporting.

HAP recommends that Marion County nonprofit hospitals increase public awareness of community charity care programs by:

- **Clearly posting information throughout the hospital, on their website and at neighborhood locations;**
- **Hospital staff informing patients about charity care programs when they register into the hospital, request an appointment and are discharged;**
- **Ensuring that all hospital clinics, billing departments, emergency rooms and other relevant areas provide information on charity care and community benefit programs.**

HAP recommends that Marion County nonprofit hospitals improve their billing procedures to ensure that patients are aware of all financial assistance options, including charity care. Among these are:

- **Payment plans must be designed jointly between the hospital and patient with consideration given to the person's income and expenses, not just based on a rigid pre-determined pay scale.**
- **Providing applications to appropriate public health insurance or hospital financial aid if the patient has trouble paying for care.**

The Citizens Action Coalition Education Fund's mission is "to improve the quality of life of all Hoosiers by conducting research, public education and development efforts to conserve natural resources, protect the environment and provide affordable access to essential human services." CACEF often partners with the Citizens Action Coalition of Indiana, a 501(c) 4 membership organization that works statewide on consumer, health and environmental issues. (See www.cacefindiana.org.)

Indiana Legal Services, Inc. provides free legal services on civil legal matters to eligible individuals in all 92 Indiana counties in order that they might have equal access to the courts, be empowered to control their lives and their counsel will impact on the major causes of poverty. (See www.indianajustice.org).

HAP is funded by a grant that stems from a lawsuit brought against the Tenet Healthcare Corporation, a national for-profit company that had operated the former Winona Hospital in Indianapolis, consequently, HAP focuses only on not-for-profit hospitals in Marion County. The grant is administered by Community Catalyst, a national consumer health advocacy organization. (See www.communitycatalyst.org).