The Health Care Cost Transparency Board's

Advisory Committee of Health Care Stakeholders

November 20, 2024

Washington State Health Care Authority

Tab 1

Washington State Health Care Authority

Washington State Health Care Authority

Health Care Cost Transparency Board's
Advisory Committee Health Care Stakeholders

Wed., November 20, 2024
2:00 – 3:00 PM
Hybrid Zoom and in-person

Agenda

Members of the Advisory Committee of Health Care Stakeholders		
☐ Emily Brice	☐ Jodi Joyce	☐ Sulan Mylnarek
☐ Patrick Connor	☐ Louise Kaplan	☐ Michele Ritala
☐ Bob Crittenden	☐ Stacy Kessel	☐ Paul Schultz
☐ Paul Fishman	☐ Eric Lewis	☐ Jeb Shepard
☐ Justin Gill	☐ Vicki Lowe	☐ Dorothy Teeter
☐ Adriann Jones	☐ Natalia Martinez-Kohler	☐ Wes Waters

Chair of the Advisory Committee of Health Care Stakeholders	Eileen Cody

Time	Agenda Items	Tab	Lead
2:00-2:03 (3 min)	Welcome, Agenda, Introduction of New Member, and Roll Call	1	Bianca Frogner, Data Issues Chair
2:03-2:05 (2 min)	Approval of August 2024 Meeting Summary	2	Bianca Frogner, Data Issues Chair
2:05-2:10 (5 min)	Public Comment	3	Rachelle Bogue, HCA
2:10-2:15 (5 min)	Committee-Cost Board Connection	4	Rachelle Bogue, HCA
2:15-2:40 (25 min)	Impacts of Medical Debt on Consumers Panel	5	Eli Rushbanks, General Counsel and Director, Policy Advocacy Dollar For Julia Kellison, Consumer Attorney Northwest Justice Project
2:40-2:55 (15 min)	Medical Debt Policy Reflections & Discussion – Part 2	6	Gary Cohen, Health Management Associates
2:55	Adjourn		Bianca Frogner, Data Issues Chair

Tab 2

Washington State Health Care Authority

Health Care Cost Transparency Board's

Advisory Committee of Health Care Stakeholders

August 21, 2024

Virtual meeting held electronically (Zoom) and in person at the Health Care Authority (HCA)
2 – 3:30 p.m.

Note: this meeting was video recorded in its entirety. The recording and all materials provided to and considered by the committee is available on the **Advisory Committee on Health Care Stakeholders webpage**.

Members present

Eileen Cody, Chair
Emily Brice
Patrick Connor
Bob Crittenden
Justin Gill
Nariman Heshmati
Adriann Jones
Jodi Joyce
Louise Kaplan
Eric Lewis
Vicki Lowe
Sulan Mylnarek
Michele Ritala
Paul Schultz
Dorothy Teeter
Wes Waters

Members absent

Paul Fishman
Stacy Kessel
Natalia Martinez-Kohler

Call to order

Hope Kilbourne, committee facilitator, called the meeting of Advisory Committee of Health Care Stakeholders (committee) to order at 2:05 p.m.

Washington State Health Care Authority

Agenda items

Welcome, Agenda, and Introduction of New Member

Eileen Cody, Chair

Chair Cody welcomed the committee to the meeting and provided an overview of the agenda. Michele Ritala was introduced as the newest member of the committee.

Approval of the June 2024 Meeting Summary

Eileen Cody, Chair

The committee **voted to approve** the June 12, 2024, meeting minutes.

Public Comment

Hope Kilbourne, Data & Policy Analyst, Health Care Authority

No written comments were received for public comment.

John Godrey, small business owner and Community Action Network (CAN) representative: The current state of medical debt in Washington is unacceptable, especially considering the robust charity care laws. Separately billed providers do not count as charity care in most situations and gaps in information for patients. In 2020, CAN ran a campaign for systemic billing practices at Providence showing patients were steered away from charity care. Since then, the Attorney General filed a lawsuit and results from a state-wide survey concerning medical debt show medical debt is an ongoing problem requiring more focus on enforcement of charity care laws.

Update of 7/30 Cost Board Meeting

Eileen Cody, Chair

The Health Care Cost Transparency Board (Cost Board) met on July 30, 2024. The meeting included a panel discussion around facility fees from a national and provider perspective. For potential policy recommendations concerning facility fees, the Cost Board requested more information from staff for consideration at the September meeting. New nominees from the Nominating Committee were approved. The Cost Board also reviewed recommendations from the Advisory Committee on Primary Care recommendations on how to best achieve the 12% total health care spend. Of the seven recommendations, the board endorsed five that did not require legislative action. Staff will work on getting more information for consideration by the board. The next Cost Board meeting is on Thursday, September 19, 2024.

State Protections Against Medical Debt Presentation

Maanasa Kona, J.D., L.L.M., Center on Health Insurance Reforms, Georgetown University
Gary Cohen, Health Management Associates (HMA)

Maanasa explained that unpaid medical debt can include past due payments owed directly to health care providers but can also include ongoing payment plans and credit card debt for medical bills. A KFF report showed that almost 100 million people, or 41% of adults, have medical debt. Uninsured patients or people who are undocumented often have medical debt, but also those who are ineligible for Medicaid. Insured patients also have medical debt with almost 40% claiming medical debt. People who are Black and Latino, younger, people living with disabilities or chronic illness are more likely to have medical debt than other communities. Protecting people from medical debt is critical in eliminating disparities and promoting health equity.

While hospitals account for a large portion, there are other sources of medical debt. Increasing health care costs are the biggest contributors to medical debt. Policies that do not consider the upstream issues will be unsustainable. There are federal protections regarding medical debt, credit reporting and debt collectors, and how aggressive debt collectors can be. It is up to the states fill in the gaps.

Policies that can help protect people from medical debt are financial assistance (or charity care) and community benefits. Washington has charity care laws and rules and requires community benefit strategies, however, enforcement could be an issue. Though beneficial, the application process can be difficult and potentially discriminatory, preventing people from receiving support. Presumptive eligibility, standardizing the application process, and financial counseling could help with this issue. Policies that can help patients that already have medical debt are regulating hospitals and debt collectors, billing, and collections practices, and protecting against legal action because of medical debt. Washington does not have robust laws concerning collections practices compared to other states but offers room to create better policies. For protecting against legal action, the state does have laws for homestead exemptions, wage garnishment, and hospital charity care reporting. Requiring hospitals to report patient demographic information, and lien and wage garnishments can account for any discriminatory practices and how well the policies are working.

Gary reviewed Cost Board discussions around medical debt and the committee's work starting in June 2024. He also provided guidance to the committee, including continuing the development of policy recommendations at the November meeting. Overviews of charity care laws and rules, and current Washington state billing and collections practices were provided as requested by the committee at the June meeting.

Medical Debt Policy Prioritization Discussion

Gary Cohen, HMA

Gary facilitated the first medical debt policy prioritization discussion starting with questions and ideas submitted by committee members. Several members identified using accurate and more comprehensive state data, including but not limited to hospitals, was identified to better understand medical debt. Also, compliance and enforcement of current charity care laws and rules which could increase accessible and equitable financial assistance. Members also talked about upstream issues including addressing the high cost of health care, such as rising insurance and deductible costs, as the root issue creating medical debt. This would consider how other organizations and agencies approach this issue, such as rate review of the rising premiums of medical and pharmaceutical trends under the Office of the Insurance Commissioner. Further policy discussion will take place at the next committee meeting after hearing from consumer representatives.

Adjournment

Meeting adjourned at 3:23 p.m.

Next Meeting

Wednesday, November 20, 2024, at 2:00 p.m.
Meeting to be held in-person and on Zoom

Tab 3

Washington State Health Care Authority

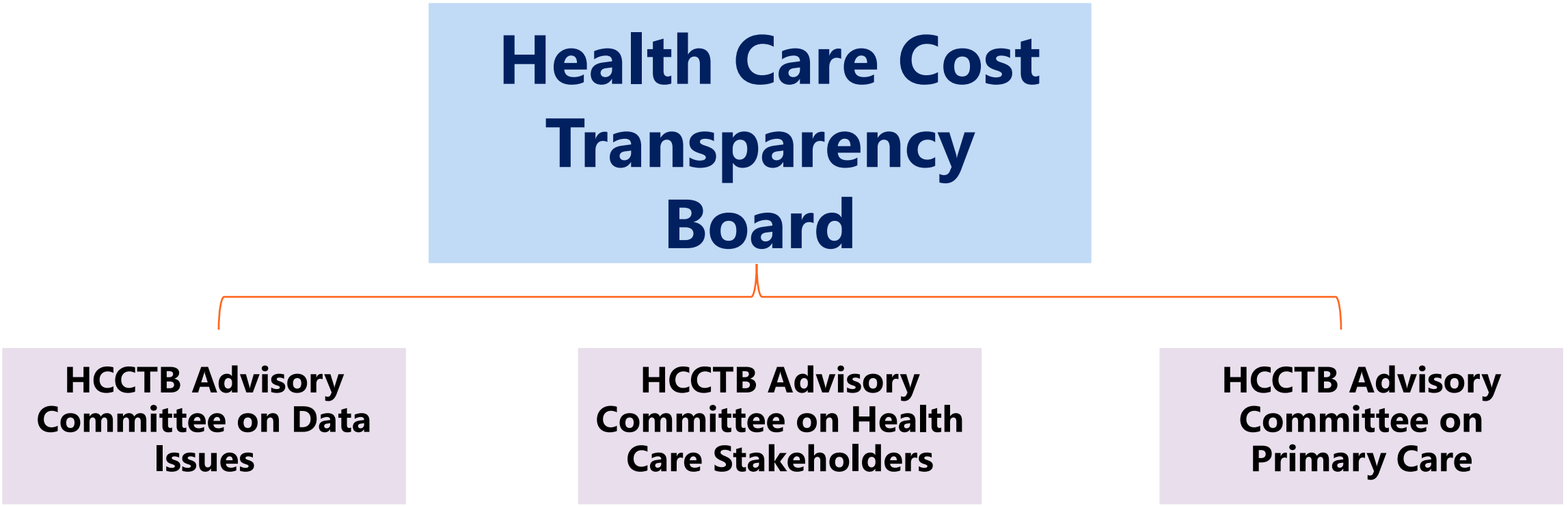
Public Comment

Washington State Health Care Authority

Tab 4

Washington State Health Care Authority

HCCTB & Committees



Stakeholder Committee-Cost Board Connection

Current Cost Board priorities

- Lower health care costs for all Washingtonians
- Current policies under consideration include high-cost items impacting consumers
- Medical debt can be a consequence, but not the main issue to address

Medical Debt policies

- High costs can lead to medical debt negatively impacting consumers
- Growing issue year after year
- Requires focused attention specific to medical debt

Stakeholders Committee goals

- Help identify opportunities to slow cost growth, address growing affordability concerns
- Medical debt policies recommended to the Cost Board can help address high costs from a different angle

Tab 5

Washington State Health Care Authority

We crush medical bills.

Dollar For is

A nonprofit working to crush medical bills by making charity care known easy and fair. We accomplish this through education, patient advocacy and policy change.

PROBLEM

DOLLAR FOR

188 million Americans are living on the edge of poverty.

PROBLEM

Medical debt is the biggest driver of financial instability.

PROBLEM

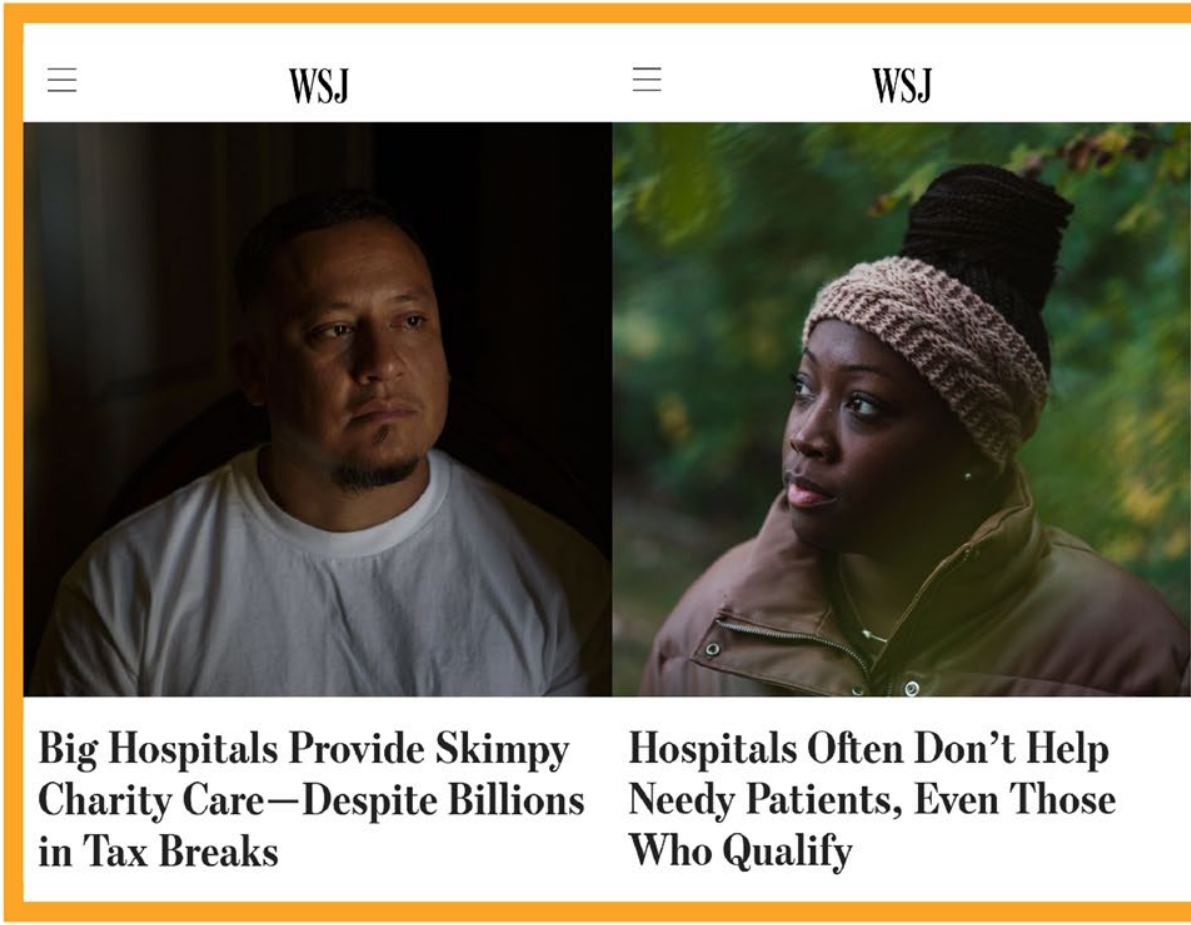
#1
cause of
bankruptcy

$195 billion
in outstanding
medical debt

1 in 4
Americans avoid
care because
of cost

CHARITY CARE

Most hospitals are legally required to provide **free care** **to low & middle income patients.**

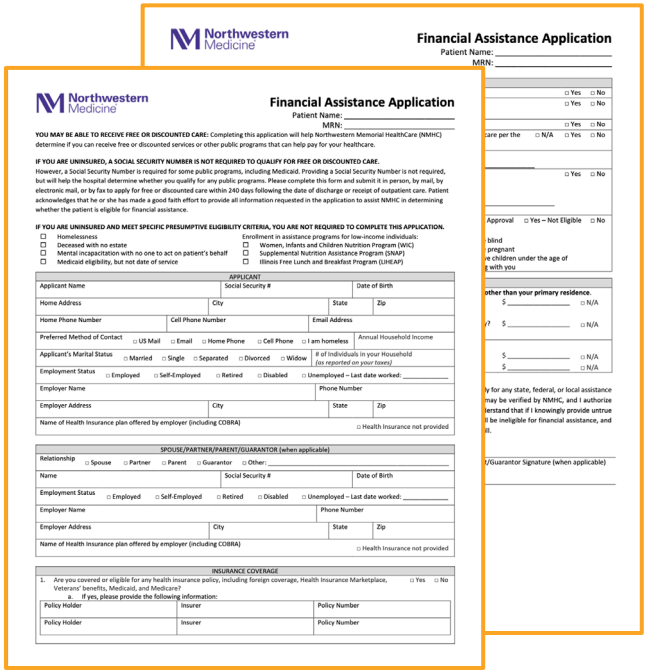


Also known as:

- Financial assistance
- Financial Aid
- Discount Programs

Application Process

1. Patient must learn about and understand the program.
2. Paper application that often requires multiple forms of income and asset verification.
3. Often must be faxed, mailed, or hand-delivered.



Northwestern Medicine

Financial Assistance Application

Patient Name: _____

MRN: _____

YOU MAY BE ABLE TO RECEIVE FREE OR DISCOUNTED CARE: Completing this application will help Northwestern Memorial HealthCare (NMHC) determine if you can receive free or discounted services or other public programs that can help pay for your healthcare.

IF YOU ARE UNINSURED, A SOCIAL SECURITY NUMBER IS NOT REQUIRED TO QUALIFY FOR FREE OR DISCOUNTED CARE.
However, a Social Security Number is required for some public programs, including Medicaid. Providing a Social Security Number is not required, but will help the hospital determine whether you qualify for any public programs. Please complete this form and submit it in person, by mail, by electronic mail, or by fax to apply for free or discounted care within 240 days following the date of discharge or receipt of outpatient care. Patient acknowledges that he or she has made a good faith effort to provide all information requested in the application to assist NMHC in determining whether the patient is eligible for financial assistance.

IF YOU ARE UNINSURED AND MEET SPECIFIC PRESUMPTIVE ELIGIBILITY CRITERIA, YOU ARE NOT REQUIRED TO COMPLETE THIS APPLICATION.

- ☐ Homelessness
- ☐ Deceased with no estate
- ☐ Mental incapacitation with no one to act on patient's behalf
- ☐ Medicaid eligibility, but not date of service

Enrollment in assistance programs for low-income individuals:

- ☐ Women, Infants and Children Nutrition Program (WIC)
- ☐ Supplemental Nutrition Assistance Program (SNAP)
- ☐ Illinois Free Lunch and Breakfast Program (LIHEAP)

APPLICANT

Applicant Name	Social Security #	Date of Birth
Home Address	City / State / Zip	
Home Phone Number	Cell Phone Number	Email Address
Preferred Method of Contact ☐ US Mail ☐ Email ☐ Home Phone ☐ Cell Phone ☐ I am homeless		Annual Household Income
Applicant's Marital Status ☐ Married ☐ Single ☐ Separated ☐ Divorced ☐ Widow		# of Individuals in your Household *(as reported on your taxes)*
Employment Status ☐ Employed ☐ Self-Employed ☐ Retired ☐ Disabled ☐ Unemployed – Last date worked: _____		
Employer Name		Phone Number
Employer Address	City / State / Zip	
Name of Health Insurance plan offered by employer (including COBRA)		☐ Health Insurance not provided

SPOUSE/PARTNER/PARENT/GUARANTOR (when applicable)

Relationship ☐ Spouse ☐ Partner ☐ Parent ☐ Guarantor ☐ Other: _____		
Name	Social Security #	Date of Birth
Employment Status ☐ Employed ☐ Self-Employed ☐ Retired ☐ Disabled ☐ Unemployed – Last date worked: _____		
Employer Name		Phone Number
Employer Address	City / State / Zip	
Name of Health Insurance plan offered by employer (including COBRA)		☐ Health Insurance not provided

INSURANCE COVERAGE

1. Are you covered or eligible for any health insurance policy, including foreign coverage, Health Insurance Marketplace, Veterans' benefits, Medicaid, and Medicare? ☐ Yes ☐ No
   a. If yes, please provide the following information:

Policy Holder	Insurer	Policy Number
Policy Holder	Insurer	Policy Number

Bridging the Chasm

Closing the $14 Billion Access Gap in Charity Care

$14B

Charity care missed annually

33.9%

Percentage of bad debt held by patients within 200% FPL

Missed Charity care in Oregon

44%

Patients sued who were
eligible for 100% charity care

The Path to Charity Care

Exploring the Journey & Roadblocks to Financial Assistance

We wanted to know if charity care programs are **known, easy, and fair**

The Bottom Line

Only **29%** of people who are are likely eligible receive charity care

Is Charity Care “Known?”

(Known = Awareness + Decision to Apply)

51%

Likely eligible patients who do not apply

52%

Do not receive information from hospital

Is Charity Care “Easy?”

(Easy = No Document Burden + Simple Medium + Clear Process + Access to Help)

57%

Approval rate of patients without help applying

67%

Approval rate when patients get help from hospital or advocate

23%

Patients thought process was hard or very hard

Is Charity Care “Fair?”

(Easy = Equitably Administered + Equitably Distributed)

14%

Applicants never receive a response

62%

Lower probability that black patients will be approved

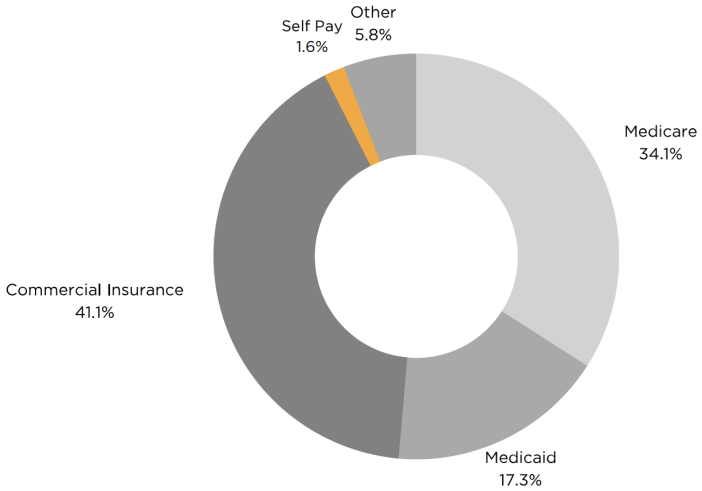
How to Improve

- Remove Patient Burden
- Less Friction in Means Testing

Hospitals Can Afford This

Oregon OHA Data

Only 1.6% of net patient revenue was from self-pay sources from Q1 2021 - Q2 2022



Dollar For National Survey

7%

Patients denied paid their bill in full

~~$1,787~~

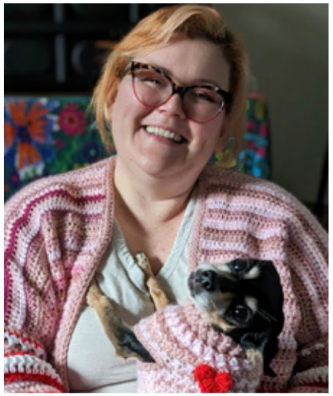
"Dollar For was definitely a ray of sunshine for me, because I didn't know how I was going to get out of it. It was like they were holding my hands through the whole process."

Louiseville, KY

~~$5,157~~

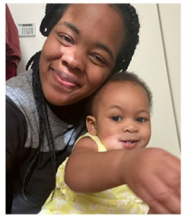
"There's something galling about getting saddled with (a bill equal to) three months' worth of income that wasn't your fault, that you already pay insurance for. This was astronomical. We don't have that (kind of money) laying around."

Chico, CA



~~$12,900~~

"Working with the hospital was like a full-time job ... I want everyone to know about Dollar For. I love Dollar For so much!"



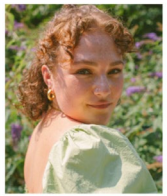
~~$6,240~~

"Since you guys came in and started helping me, it's felt a lot better, and I've felt a lot more optimistic."

~~$9,800~~

"That was a happy new year to me. It took about seven days for my payments to finally be refunded. And not only that, they sent me a paper check for another $240, so I actually got 12 payments. I was elated. Oh my God, that's a $240 a month pay raise, for someone who's retired."

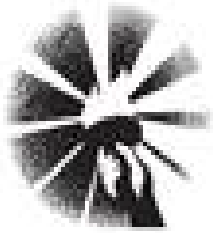
Baytown, TX



~~$6,602~~

"Don't take the first answer you get as truth. Especially if it's an answer you don't want."

- Bradford (Jenna's dad)



Northwest Justice Project

JULIA KELLISON

ATTORNEY, NJP-SEATTLE

JULIAK@NWJUSTICE.ORG / 206.707.0909

ABOUT NJP

- Washington's largest publicly funded legal aid program.
- Providing free critical civil legal assistance to eligible low-income people out of 20 offices statewide.
- Working to secure justice through high-quality legal advocacy that promotes the long-term well-being of low-income individuals, families, and communities.
- Pursuing our mission through legal advice and representation, community partnerships, and education to empower clients and combat injustice in all its forms.

Debt Collection & Medical Debt

- How we get medical debt clients – statewide and King Co
- NJP primarily serves clients with household incomes of 0-200% of the federal poverty level (HH of 1 = max gross monthly income of $2510 / HH of 4 = max gross monthly income of $5200)
- Medical debt has been the most persistent debt problem our low-income clients face since we opened our King County Debt Collection Defense Clinic in 2011
- If the client's medical debt is Charity Care-eligible hospital debt, there's a lot we can do to assist:
  - Pursuant to WA's Charity Care, we can stop all collection activity -- including lawsuits -- to allow the client to apply for Charity Care, which, once awarded, results in the lawsuit being dismissed

Debt Collection & Medical Debt (cont.)

- If the debt is **not** Charity Care-eligible, and not covered by Medicaid, this presents BIG problems for our low-income clients:
  - Many of our clients are low-wage workers who earn too much to qualify for Medicaid. They tend to be underinsured with private insurance that has high cost-sharing. When the client is billed for non-hospital physician time, radiology, labs, or ambulance bills, for example (all not covered by Charity Care) our clients are unable to afford to pay these bills, which can be very steep. And there's no requirement that these entities offer financial assistance for low-income patients.
  - The Statute of Limitations on medical debt is generally 6 years; debt collectors can hold onto the debt right up until the end of that time period before they sue. Clients may not get any notice at all that the bill is in collections, and if the health care provider fails to send a bill to the client's insurance, by the time the client finds out about the bill when they are sued, the time period to submit the bill to the insurer has passed.

Debt Collection & Medical Debt (cont.)

- Medical debt over $500 can remain on a credit report for 7 years, ensuring the client gets worse credit or loan terms, such as higher interest rates on a car loan, or makes qualifying for rental housing that much harder.

- If the client is sued for non-Charity Care-eligible medical debt for which there is no affirmative defense like Charity Care, a judgment will be entered at 9% interest. The judgment can last up to **20 years,** collecting interest @ 9% interest.

- If a judgment creditor chooses to then collect on its judgment via a wage garnishment to the client's employer, our clients can get up to 20% of their wages garnished from every paycheck, with $300 of debt collection attorney's fees being added to the debt every 60 days -- each time the wage garnishment is renewed -- which extends the life of the garnishment.

Debt Collection & Medical Debt (cont.)

- Low-wage workers can also face having their bank accounts wiped out of all but $1000 if the judgment creditor chooses to collect via a bank account garnishment – for which the debtor gets no notice. Bank garnishments are particularly destabilizing, as access to the money in the account can be completely cut off for weeks, which jeopardizes the ability to pay rent and other necessities which can lead to housing instability and homelessness.
- Adding to this debt nightmare is the fact that if a debt collector is collecting on public debt, **including debt from public hospitals**, a provision in the WA Collection Agency Act (RCW 19.16.500) allows the collector to charge the debtor **a fee of up to 50% of the principal of the bill** – for no additional work being done.
- As of 2019, bench warrants for medical debt can no longer be requested by collection attorneys for a judgment debtor's failure to show up at the Supplemental Proceedings calendar.
- All of this debt and involuntary collection causes significant stress, worse health outcomes, and can cause families to have to go bankrupt – and worse yet, avoid medical care in the future.

How To Access Our Services

Statewide

- CLEAR: 1 (888) 201-1014
- CLEAR Senior: 1 (888) 387-7111
- Eviction Prevention: 1 (855) 657-8387
- Foreclosure: 1 (800) 606-4819
- Online Application: www.nwjustice.org

King County

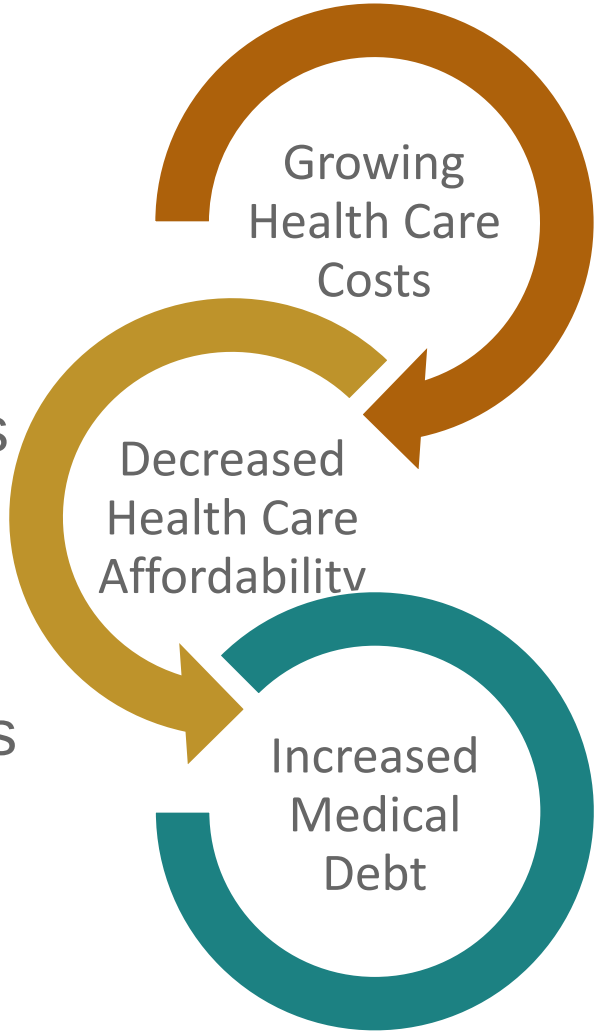
- Front Desk: (206) 464-1519

Tab 6

Washington State Health Care Authority

REFRESHER - COST BOARD CHARGE

- Cost Board is tasked with developing benchmarks and understanding the underlying drivers of growing health care costs in response to the growing impact on health care consumers, employers and the state budget
- Interventions to address drivers of growing health care costs are longer-term strategies
- Consumers continue to face growing out-of-pocket expenses through premiums, co-pays, facility fees, which lead to medical debt
- Important to protect consumers from this debt while Cost Board deliberates and recommends policies to address costs



Reducing Health Care Costs, Increasing Health Care Affordability and Lowering Consumer Medical Debt: Policy Levers

Health Care Costs (Long term)

- Reference based pricing
- Provider rate setting
- Price growth caps/ Price caps
- Hospital global budgets
- Consolidated state purchasing
- Business oversight of mergers and acquisitions
- Restricting anti-competitive practices
- Increased rate review

Consumer Health Care Affordability (Medium Term)

- Increase transparency of facility fees
- Ban or limit facility fees
- Standardize health plans
- Increase medical loss ratio
- Implement reinsurance
- Increase subsidies for premiums and cost-sharing

Consumer Medical Debt (Short Term)

- Reduce barriers to applying for financial assistance (e.g., presumptive eligibility)
- Expand entities required to provide financial assistance
- Set minimum spending floors for financial assistance
- Require income-based repayment plans
- Further cap interest rates
- Limit credit reporting
- Prohibit wage garnishment
- Restrict liens and foreclosures
- Buy existing medical debt
- Require reporting of collections actions
- Break down financial assistance data by patient demographics

PLAN FOR PROVIDING GUIDANCE TO THE COST BOARD ON ADDRESSING MEDICAL DEBT

Meeting 1 (August)

- National overview of the issue with focus on what has been/can be done to prevent and address medical debt
- Overview of current laws in Washington related to preventing medical debt including charity care laws
- Identify other areas where you need more information

Meeting 2 (Today)

- Consumer groups talking about impacts of medical debt here in WA and focus on recommendations
- Other identified topics
- Develop recommendations

MEDICAL DEBT IN WASHINGTON

Why it matters

- About $4.2 billion is owed in Washington state, according to the nonprofit health policy research group KFF.
- 6.5% (380,000) adults in Washington report medical debt in a given year; at least $500-$600 per the Urban Institute
- Washington hospitals reported $1.134 billion in charity care charges in FY 2022.
- Charity care was 1.26 percent of total hospital revenue and 3.48 percent of adjusted (non-Medicare, non-Medicaid) revenue

TODAY'S FOCUS AREA: MEDICAL DEBT

Prevention

- Reduce barriers to applying for financial assistance (e.g., presumptive eligibility)
- Expand entities required to provide financial assistance
- Set minimum spending floors for financial assistance
- Require income-based repayment plans

Relief

- Further cap interest rates
- Limit credit reporting
- Prohibit wage garnishment
- Restrict liens and foreclosures
- Buy existing medical debt

Transparency

- Require reporting of collections actions
- Break down financial assistance data by patient demographics
- Modify hospital community benefit reporting to distinguish between Medicaid/Medicare payments from charity care

Questions or Ideas reviewed at August meeting

Consumers

- What is the consumer burden of medical debt, including trade-offs and challenges?
- Lower high interest rates that apply to medical debt.
- Limit garnishment of wages and savings related to medical debt, such last session's HB 2119.
- Link amount of allowable medical debt that can be pursued to a patient's income level and/or a specific set of charges.
- Create a "bill of rights" process for uninsured or underinsured patients.

Collectors

- Prohibit credit reporting companies from including medical debt on credit reports sent to creditors when it is not allowed to be considered.
- Require additional measures of debt collectors, such as enhanced screening for charity care or other notification processes.
- Prohibit lenders from using medical devices as collateral and ban the repossession of medical devices like wheelchairs and prosthetic limbs if the loan is not repaid.

Hospitals

- Require standardized screening for hospitals for charity care.
- Further implement and enforce existing hospital charity care laws.
- Require hospitals or health care facilities to notify people they are going to be sent to collections with a reasonable amount of time to respond and make payment.
- Unpack hospital/provider price variation, using past presentations and recent WA Health Alliance data

Insurers

- Address plans with increasingly high premiums, deductibles, and co-payment obligations.

Potential Policy Actions

Referenced from the Attorney General's Office model

Measure amount of medical debt	• Require reporting of collection actions • Break down financial assistance data by patient demographics
Prevent accumulation of medical debt	• Reduce barriers to applying for financial assistance • Expand entities required to provide financial assistance • Set minimum spending floors for financial assistance
Reduce accrued medical debt	• Increase and/or enforce charity care and community benefits • Buy existing medical debt

	Measure	Prevent	Reduce
Consumers	• What is the consumer burden of medical debt? • Which communities in WA face a higher incidence of medical debt and how does that align with demographics such as race/ethnicity, geographic location, and income level?	• Lower high interest rates • Link amount of allowable medical debt to a patient's income level or specific set of charges • Create a "bill of rights" process for uninsured or underinsured patients	Limit garnishment of wages and savings related to medical debt
Collections		• Prohibit credit reporting companies from including medical debt on credit reports • Require additional measures of debt collectors • Prohibit lenders from using medical devices as collateral and ban the repossession of medical devices	
Hospitals	• Require standardized screening for hospitals for charity care • Unpack hospital/provider price variation	• Require hospitals or health care facilities to notify people they are going to be sent to collections	• Further implement and enforce existing hospital charity care laws
Insurers	• Address plans with increasingly high premiums, deductibles, and co-payment obligations.		

DISCUSSION

- Based on what you heard from the panel, which policy approaches to addressing medical debt do you think the Board is best situated to make recommendations on?