

American Hospital Association
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Washington, DC 20001

From: Hon. Donna Christensen, M.D., Jason Resendez and Jim Manley, Consumers for Quality Care Board

Date: October 16, 2019

Subject: Address Financially Toxic Hospital Practices

To Whom it May Concern:

As patient advocates fighting to give consumers a voice in the health care debate, we are troubled by recent reports of practices employed by hospitals around the country that have become financially toxic for consumers.

Hospitals are a cornerstone of the American health care system. We greatly appreciate all the lifesaving work that occurs at hospitals and the doctors and nurses who devote their lives to helping others. However, we urge you to address the predatory practices some hospitals are using against vulnerable patients.

In [Maryland](#), [Virginia](#), [Georgia](#), [Tennessee](#), [Missouri](#), and [Colorado](#), hospitals have pursued lawsuits and other predatory actions against patients for unpaid hospital bills. While hospitals are required by the IRS to have policies regarding financial assistance and determine whether a patient qualifies before initiating collection attempts, too many hospitals are using lawsuits, wage garnishments and other heavy-handed collection efforts as business as usual rather than paths of last resort. These hospitals are threatening the lives and livelihoods of Americans who turn to them for care by:

- Tacking added annual interest to medical bills
- Placing liens on patients' homes
- Garnishing wages
- Seizing bank accounts
- Neglecting to inform many patients about community benefits or charity care for which they may qualify

These practices continue to come to light, despite hospitals accounting for the largest cost in our health care system and [increasing prices](#) by 42 percent from 2007 to 2014 for inpatient care and 25 percent for outpatient care.

A recent piece in [The New York Times](#) examining the high costs of hospital care found that on average, a hospital stay in 2015 [cost consumers](#) \$5,220 a day. In 2017, hospitals were paid 2.4 times the Medicare rates while treating patients with private insurance, according to a [Rand study](#). And as more systems consolidate, [their prices increase](#).

Americans are deeply concerned about the costs of care across the health care spectrum, including at the hospital, [Ipsos-Consumers for Quality Care research](#) found. Ninety-one percent of patients are concerned about receiving surprise bills from hospitals and 65 percent say it's difficult to understand the cost of care at a hospital, including finding out how much a hospital charges for a specific type of care. These rising costs and lack of transparency put care out of reach for many consumers, but the predatory practices implemented by an increasing number of hospitals to recoup unpaid bills are of particular concern.

People turn to hospitals when they are desperate for care and, in many cases, experiencing emergencies. Patients shouldn't have to worry about financial ruin as a result of emergency medical procedures or hospital visits. Unfortunately, such visits can become financially toxic as a result of hospital practices designed to maximize profits. In multiple states, hospitals have aggressively pursued lawsuits and other threatening actions against patients who can't afford to pay their hospital bills. Some have even pursued these actions despite increasing service charges and receiving revenue through the 340B federal program, which is intended to help cover low-income or uninsured patients' costs.

As stories of patients struggling financially due to the practices of hospitals continue to surface, we ask that you issue guidance to your members to curtail these toxic practices that take advantage of patients and leave them in severe financial distress.

Sincerely,

Consumers for Quality Care Board
Hon. Donna Christensen, M.D.
Jason Resendez
Jim Manley