



Know Before You Go

Health Literacy – Understanding and Mitigating Medical Debt

Today, too many Americans face crushing medical debt. Significant drivers behind rising health care costs and increasing medical debt in America – big health care corporations and hospitals – have largely escaped public scrutiny for their role in the health care cost crisis. This Health Literacy Month, Consumers for Quality Care is working to help consumers understand the ways in which hospitals are driving up the price of care, highlighting policies that can help improve the affordability and quality of hospital services, and providing tips for how consumers can protect themselves and help the movement.

What You Should Know Before You Go to the Hospital (and more)

With 65% of Americans reporting that they or someone close to them has had a medical bill go into collections, we want to ensure consumers are aware of some of the underlying causes of medical debt and provide tips that can help them avoid medical debt.

- **Demand Price Transparency.** Hospital prices vary widely across the country, with the highest and lowest prices for standard outpatient services ranging [by nearly 300%](#). Even worse, less than 25% of hospitals in February 2023 are compliant with a federal rule requiring hospitals to publish the price of medical services that can be scheduled in advance.
 - Take Action:
 - [Visit Patient Rights Advocate to learn “How to Shop for Healthcare”](#)
 - [Visit PIRG to Tell Your US Representatives: Lower Costs, More Transparency](#)
- **Know Your Surprise Billing Act Rights.** The No-Surprises Act, which protects consumers from surprise bills, including when a patient is unknowingly treated by an out-of-network provider at an in-network facility, went into effect on January 1, 2022. This Act was a huge win for consumers, but a recent survey still found that [20% of patients have received a surprise bill](#) since the No Surprises Act went into effect.
 - Take Action
 - [Learn more](#) about the No Surprises Act protections that apply to you.
 - Encourage your elected officials to strengthen the No Surprises Act and ensure its proper enforcement.

- If you believe you've received a medical bill in violation of the No Surprises Act, [submit a complaint](#) with the Centers for Medicare and Medicaid Services (CMS).
- **Reel in Hospital Overcharging.** Even though [IRS rules](#) require nonprofit hospitals to have financial assistance programs and prohibit them from taking "extraordinary collection actions" on unpaid medical bills without first attempting to determine patients' eligibility for financial assistance, too often [non-profit hospitals pressure patients](#) that could be eligible for charity care to pay
 - Take Action
 - If you need to manage emergency or scheduled care, have received a bill you can't afford to pay, or have had an unpaid medical bill sent to a collection agency, visit PIRG's consumer guide, "[Medical Bills: Everything You Need to Know About Your Rights.](#)"
- **Be Wary of Medical Credit.** Consumers should beware of medical credit cards, which can rack up significant interest and fees, and can impact credit scores. The interest charge on medical credit cards often starts at 0% and is deferred for a period of time, but when it does kick in, it can be even higher than 25%! A report by the Consumer Financial Protection Bureau showed that consumers paid more than \$1 billion in interest payments for medical credit cards from 2018-2020. The Biden administration and three credit bureaus have taken action to address the medical debt carried by Americans, but do not necessarily address the root causes of medical debt and don't address charges on medical credit cards.
 - Take Action
 - What You Can Do: If a medical provider or hospital offers you medical cards, you should first ask [if you're eligible for financial assistance instead](#). Nonprofit hospitals – and some private hospitals – must provide free or reduced fee care. Next, talk to your health care provider about creating a payment plan that fits their budget instead. If paid medical debt that had been in collections, unpaid medical debt that has been in collections for less than one year, and unpaid medical debt in collections totaling less than \$500 is reported on your credit report, file a dispute directly with the credit reporting agency. Include a written explanation of the mistake and documentation to support your dispute. If you are experiencing aggressive debt collection, coercive credit reporting, or other problems with a consumer financial product or service related to medical billing and collections, [submit a complaint to the CFPB](#).