Dear Legislator:

Our organizations routinely hear patients’ horror stories about medical debt and billing chaos. A 2019 poll found that 16 percent of New York adults surveyed had to take out loans or racked up credit card debt to pay for medical care, 15 percent had used up all or most of their savings, and 12 percent had been put into collections.[[1]](#footnote-0) Six percent of all New Yorkers have past due medical debt ruining their credit and in 29 counties this is true for over 10 percent of residents.[[2]](#footnote-1) Over 52,000 were sued between 2015 and 2020, including at least 4,000 during the height of the pandemic.[[3]](#footnote-2) Thousands have had their wages garnished or had liens taken on their home.[[4]](#footnote-3) People of color are disproportionately impacted by affordability burdens and their negative repercussions.[[5]](#footnote-4)

Enough is enough. Medical care is not a luxury, and it should never result in the financial devastation these patients experience. Many of these actions are being taken by non-profit, charitable hospitals that collectively receive over $1 billion dollars to support their provision of uncompensated care. We strongly urge you to sponsor and help pass the following legislation that will protect New Yorkers from unfair medical debt practices:

**Ban Liens & Wage Garnishments (S6522/A7363**). This bill would protect patients’ homes by preventing a nonprofit hospital or healthcare provider from filing a lien on a primary residence or garnishing 10 percent of a patient’s wages. Research shows that nonprofit hospitals have placed 4,800 medical debt liens in low-income counties in just two years. Many of these same hospitals are garnishing the wages of low-waged workers who work at places like Walmart and fast-food restaurants. Thirteen states already have laws to protect patients’ homes from aggressive creditors, New York should do likewise.

**Modernize the Hospital Financial Assistance Law (“Manny’s Law**”). (**S7625/A8441**) Annually, New York’s nonprofit hospitals receive $1.1 billion in Indigent Care Pool (ICP) funds to support uncompensated care. In exchange for these ICP funds, hospitals must have a financial aid program. But research shows that each hospital has developed its own form, many of which are nearly impossible to find or use. Moreover, the law is out of date and does not conform with the Affordable Care Act eligibility guidelines. It is time to update this law so that patients can find and apply on one uniform application that extends eligibility limits consistent with the New York State of Health Marketplace.

**Protect Patients from Unreasonable Facility Fees (S2521A/A34570A).** Increasingly, hospitals are acquiring medical practices and labs and then charging patients outlandish “facility fees” when they use these services. One patient was charged a $142 “facility fee” when her newly-affiliated-with-a-hospital doctor sent her for her annual preventive mammogram—which should be FREE! Enough is enough. Hospitals stays are not vacations and patients they should not be charged a “resort fee” for medically necessary care. This bill would ban facility fees for all preventive care and require a hospital to inform a patient, in advance, when they will be charged one.

For more information, you can contact Elisabeth Benjamin at ebenjamin@cssny.org.

1. Community Service Society of New York and Altarum Healthcare Value Hub, “New Yorkers Struggle to Afford High Healthcare Costs; Support a Range of Government Solutions Across Party Lines,” Data Brief No. 37, March 2019, <https://www.healthcarevaluehub.org/advocate-resources/publications/new-yorkers-struggle-afford-high-healthcare-costs-support-range-government-solutions-across-party-lines/>. [↑](#footnote-ref-0)
2. Urban Institute, “Debt in America,” accessed January 5, 2022, <https://apps.urban.org/features/debt-interactive-map/?type=overall&variable=pct_w_medical_debt_in_collections&state=36>. [↑](#footnote-ref-1)
3. Elisabeth Benjamin and Amanda Dunker, “Discharged Into Debt: New York’s Non Profit Hospitals Are Suing Patients, Community Service Society of New York, March 2020, <https://www.cssny.org/publications/entry/discharged-into-debt> and “Discharged Into Debt: A Pandemic Update,” January 2021, <https://www.cssny.org/publications/entry/discharged-into-debt-a-pandemic-update>. [↑](#footnote-ref-2)
4. Elisabeth Benjamin and Amanda Dunker, “Discharged Into Debt: Nonprofit Hospitals File Liens on Patients’ Homes,” Community Service Society of New York, November 2021, <https://www.cssny.org/publications/entry/discharged-into-debt-nonprofit-hospitals-file-liens-on-patients-homes> [↑](#footnote-ref-3)
5. Elisabeth Benjamin and Amanda Dunker, “How Structural Inequalities in New York’s Health Care System Exacerbate Health Disparities During the COVID-19 Pandemic: A Call for Equitable Reform,” Community Service Society of New York, June 2020, <https://www.cssny.org/publications/entry/how-structural-inequalities-in-new-yorks-health-care-system-exacerbate-heal>. [↑](#footnote-ref-4)