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CONSUMERS URGE WA DEPARTMENT OF HEALTH TO CONTINUE CHARITY CARE RULEMAKING PROCESS DESPITE LITIGATION

Current regulations are needed to reduce medical debt.

SEATTLE, WA—In a letter to the Washington Department of Health (DOH) today, more than 40 organizations are calling on DOH to hold hospitals accountable and continue the rulemaking process to incorporate changes made by the Legislature in [SHB 1616](#) and previously [SSB 6273](#). The groups are concerned that the process currently underway will be paused due to litigation filed by the Washington State Hospital Association (WSHA) regarding DOH’s recent enforcement guidance, although it appears the litigation is nothing more than a delay tactic and should not be allowed to impede progress on the much-needed updates to obsolete regulations.

Hospitals violating charity care notice requirements can have devastating effects. Patients who are unaware that they would qualify for free or reduced cost care can end up with a pile of unpaid hospital bills that turn into medical debt. That medical debt is then assigned to a debt collector. Northwest Justice Project Attorney Julia Kellison says, “Time and time again, I see people who qualify for charity care but aren’t told about it or screened for eligibility. When debt collectors get involved, they can tack on an additional 50% fee on the charges (for debt from public hospitals), garnish up to 20% of every paycheck, or wipe out all but \$2,000 in a bank account. Some of the families I see never recover from that kind of financial devastation.”

Dollar For is a national nonprofit organization that empowers patients and advocates on their behalf for charity care. Eli Rushbanks, Dollar For’s General Counsel and Director of Policy and Advocacy says, “Their own financial records show that they could be offering more charity care, but they choose to send people into debt instead. Regardless of whether hospitals are acting intentionally or negligently, patients are not getting charity care and hospitals are not meeting their legal obligation.”

Without clear and understandable regulations on the books, patients may not be told about charity care, are given inaccurate and outdated information, and may be denied charity care inappropriately. A recent [survey](#) by Northwest Health Law Advocates (NoHLA) shows that many hospitals are not in compliance with the notice requirements of the charity care law, even though they have been in effect for more than five years. Based on survey results:

- an estimated one-third of callers to Washington hospitals are not being told about charity care,

- many hospital websites do not include accurate information about eligibility requirements;
- one-third of hospitals do not post a plain language summary of the policy on their websites.

The survey echoes the findings of repeat investigations by the Attorney General's Office, which has found as recently as November 2023 that a major health care system [failed to properly screen](#) people who could have been eligible for charity care.

NoHLA Executive Director Janet Varon says, "We're not surprised by these survey results. We have heard for years that patients aren't told about charity care even when it is obvious they would benefit. Clear rules outlining hospital responsibilities are long overdue and must be promptly adopted to prevent more hardship."

Every day that passes without regulations reflecting the current charity care law means more people are accumulating medical debt unnecessarily, with disproportionate effects on communities of color. Washington residents were [recently surveyed](#) about whether they incurred medical debt, depleted savings, or sacrificed basic necessities because of medical bills in the last year; 54% of Hispanic/Latinx respondents and 56% of Black/African American respondents answered "yes," compared to only 35% of white respondents.

But community organizations are starting to fight back. Unidos Nueva Alianza Foundation (UNA) and Wenatchee for Immigrant Justice (WIJ) see first-hand the problems immigrants face in accessing charity care. After hearing repeated stories about inappropriate denials from patients, WIJ began holding regular community clinics to educate people about charity care and provide assistance with applications. WIJ Coordinator Jessica Ingman says, "People hear about charity care from us or another community organization, not from the hospital. A poster on the wall isn't enough and a single line on your bill or a website saying 'financial assistance may be available' isn't enough. We need the Department of Health to make clear in the regulations that the law requires hospitals to screen all patients."

Lawsuits for unpaid debt and associated costs compound the financial burden. Researcher Kali Curtis conducted [extensive research](#) on medical debt in Thurston County by reviewing court records from 2020 and found that the final debt amount increased by nearly 60%, from an average of \$1,200 to nearly \$2,000. Curtis says, "It's obvious from looking at court records that people who can't afford a medical bill certainly can't afford the penalties and fees that get added as a result of getting sued. In many situations, people are working minimum wage jobs and having their wages garnished. This could all be avoided if hospitals were following the law and informing patients of charity care."

To address these disparities and ensure the rights of patients are protected, the groups signing the letter requested that DOH continue the rulemaking process and utilize the [recommendations](#) submitted on July 26, 2023 to make it clear that under existing law, hospitals must:

- screen all patients for charity care;
- comply with all notice requirements;
- provide the resources necessary for patients with limited English proficiency so they can be informed of charity care;
- take into account patient conditions that may hinder their ability to apply for charity care; and
- comply with all reporting requirements.

In addition to continuing the rulemaking process, the groups urged DOH to take enforcement action when there are violations of the law.

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