

Consumer Groups Criticize Hospitals On Publicizing Charity Care

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Too many nonprofit hospitals fail to adequately publicize their charity-care programs, two advocacy groups say in a survey report released today.

While the vast majority of the 99 hospitals surveyed by [the Access Project](#) and Community Catalyst mentioned the availability of free or discounted care on their websites, or when contacted by phone, less than half provided application forms and only about one-quarter included information on requirements to qualify for such care.

“A mention on the website that there’s charity care is helpful, but actually having the specific information on the policy is far more useful to a patient or potential patient,” says Mark Rukavina, director of the Boston-based Access Project.

The groups say the survey, while small, was representative of the industry, including both large and small hospitals. It comes as nonprofit hospitals face new charity care rules in the health care overhaul law passed by Congress in March.

But the American Hospital Association, which issued [voluntary guidelines](#) for charity care for its members in 2003, says the new survey is too small to be meaningful. “A survey of 99 hospitals is not convincing to us,” says Melinda Hatton, the industry association’s general counsel. “And it’s out of sync: The concerns at the heart of the report have been dealt with in the health care reform bill, which we supported.”

Under the law, nonprofit hospitals must:

- Widely publicize their “financial assistance” programs, including eligibility criteria.
- Not charge those eligible for such assistance any more than the lowest amounts they charge people who have insurance.
- Bar “extraordinary” debt collection efforts until after hospitals determine whether a patient who owes money is eligible for financial assistance.

The rules affect only nonprofit hospitals, which must provide charity care a “community benefit” as a condition of their tax-exempt status. About half of the nation’s approximately 5,800 hospitals are nonprofit, while nearly 1,000 are for-profit and the rest are owned by state or local governments, according to statistics from the hospital association.

The rules go into effect in the next tax year for hospitals, says Rukavina. In addition, the Secretary of the Treasury must report annually to several congressional committees on the levels of charity care provided by the nation's nonprofit hospitals.

Several years ago, media reports and congressional and state investigations uncovered a host of concerns about hospital billing practices, including: failing to tell patients about charity care, charging uninsured patients far more than those with insurance, and sometimes taking tough legal steps, including foreclosure of homes, to collect.

Those concerns translated into some new state and local rules. Many hospitals also adjusted their charity care practices, including offering discounts to the uninsured comparable to what they negotiate with insurers and posting signs in waiting rooms about the availability of such discounts. In 2003, the hospital association issued voluntary guidelines urging members to, among other things, offer clear written policies about charity care.

As the health care overhaul legislation made its way through Congress, the association said that new rules on charity care being considered in the legislation were not necessary. In a January letter to House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid, the group urged Congress to drop the requirements, or at least the parts requiring regular reports to Congress on charity-care levels. Such reports, the association warned, would be costly for hospitals and were duplicative of other reports by the Congressional Budget Office and the Government Accountability Office.



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