



# Voluntary Commitments:

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HAVE HOSPITALS THAT SIGNED A  
CONFIRMATION OF COMMITMENT TO THE  
AMERICAN HOSPITAL ASSOCIATION'S BILLING AND  
COLLECTIONS GUIDELINES  
REALLY CHANGED THEIR WAYS?

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Written by:

Bill Lottero and Carol Pryor  
The Access Project



**The Access Project (TAP)** has served as a resource center for local communities working to improve health and healthcare access since 1998. The mission of The Access Project is to strengthen community action, promote social change, and improve health, especially for those who are most vulnerable. TAP conducts community action research in conjunction with local leaders to improve the quality of relevant information needed to change the health system. The Access Project's fiscal sponsor is Third Sector New England, a non-profit with more than 40 years of experience in public and community health projects. TAP is affiliated with the Heller School for Social Policy and Management at Brandeis University.

**THE ACCESS PROJECT**  
**Lincoln Plaza**  
**89 South Street, Suite 404**  
**Boston, MA 02111**  
**(617) 654-9911**  
**Fax: (617) 654-9922**  
[www.accessproject.org](http://www.accessproject.org)

## EXECUTIVE SUMMARY

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In June of 2003, faced with accumulating bad publicity about some of its member's high prices and harsh billing and collections policies toward uninsured patients, the American Hospital Association (AHA) sent out a member advisory. With respect to hospital charges, charity care policies, and debt collection practices, it said, "Every hospital leader should be aware of these issues, familiar with their own internal policies and prepared to discuss them publicly."

Then, in December of 2003, the AHA issued a statement of principles and guidelines related to hospital billing and collections practices. It called on hospitals to provide financial counseling to needy patients, have clear written policies to help patients determine if they qualify for public or hospital assistance programs, make these policies known to the public and community organizations, train staff on the policies, ensure that charges for services are reasonably related to cost, and make charges available to the public in an understandable format. It also asked hospitals to sign a Confirmation of Commitment that offered two options, one stating that the hospital already meets or exceeds the guidelines, and the other that the hospital is reviewing its policies with the goal of meeting or exceeding the guidelines.

The AHA states on its website that it considers the commitments important in avoiding federal legislative or regulatory action, and quotes a Congressional representative who held hearings on hospital pricing policies for the uninsured as saying "If they get to 5,000, we won't have to legislate." The AHA says that more than 4,200 hospitals, or over 80% of its members, have signed the Confirmation of Commitment. However, the AHA only published the names of these hospitals in May of 2005, and still has not specified which hospitals claim to already meet or exceed the guidelines and which say only that they are evaluating their policies in light of the guidelines. The AHA has also not provided any evidence that hospitals that signed the Confirmation of Commitment are in fact conforming to the guidelines.

The Access Project, a national resource center supporting community research and advocacy, undertook a survey of 61 randomly selected large private non-profit and for-profit hospitals to investigate this topic. Respondents were asked if their hospitals had signed the Confirmation of Commitment and, if so, which option they had selected. They were also asked about how they were implementing specific recommendations in the AHA guidelines.

### FINDINGS

Despite repeated phone calls to Chief Financial Officers or Patient Financial Services Directors at the hospitals, only 12 respondents agreed to participate in the survey. Of these, ten respondents represented 13 non-profit hospitals and two represented for-profit hospitals. Five of the non-profit respondents and none of the for-profit respondents reported that their hospitals signed the Confirmation of Commitment option stating that they already meet or exceed the AHA's voluntary guidelines.

With respect to implementation of the AHA's guidelines, hospitals' reported practices varied widely. For example, in implementing the guideline that hospitals should make available to the public information on their charity care policies and other financial

assistance programs, one respondent reported his hospital had posted the policies on its website and in its admitting and emergency departments, and also provided information on its 800 telephone line. However, another respondent said the policies were only accessible to employees through the hospital's administrative manual and intranet, whereas patients received a simplified Q and A sheet. Regarding the recommendation that hospitals share their charity care policies with appropriate community organizations that assist people in need, some respondents reported that their hospitals only shared the policies with state agencies to which they were required to provide the information, some reported sharing the policies with a few local agencies, and some reported that they had not shared the policies with any local organizations. Similar variations were reported in the implementation of guidelines related to training staff in financial assistance policies, and to reviewing and publishing charges for services.

## **CONCLUSIONS AND RECOMMENDATIONS**

Because few of the hospitals we contacted were willing to participate in the survey, we cannot make definitive statements about whether hospitals that signed the AHA's Confirmation of Commitment are in fact implementing the AHA's voluntary principles and guidelines. However, the unwillingness of so many hospitals to participate itself raises concerns about whether they are conforming to the AHA's call for hospitals to be more transparent in sharing their financial assistance policies. In this regard, the AHA contradicts its own call for transparency by not distinguishing between hospitals that claim to already meet or exceed the guidelines and those that say only that they are reevaluating their policies. These concerns are reinforced by the fact that the self-reported practices of those hospitals that participated in the survey did not consistently correspond to their stated commitment to the voluntary guidelines.

Although the small number of participating hospitals makes generalizations impossible, this survey indicates that even though a large number of hospitals have signed the AHA's Confirmation of Commitment to its voluntary principles, one cannot reliably conclude that they have actually changed their billing, collections, and charity care policies and practices. The burden is now on the AHA and its member hospitals to actively demonstrate that signing the Confirmation of Commitment is a meaningful reflection of hospital policies. We recommend the following:

1. The AHA should make public which hospitals that have signed the Confirmation of Commitment claim to already meet or exceed the AHA guidelines, and which say only that they are reevaluating their policies in light of the guidelines.
2. All hospitals should publish their financial assistance policies, make them widely available, and provide them to anyone who requests them.
3. The AHA must find ways to guarantee that hospitals are living up to their commitments. It should encourage hospitals to work with community organizations that represent low-income uninsured in developing their financial assistance policies. It should also establish an ongoing quality assurance program to monitor hospitals' practices and fund initiatives to develop model programs in these areas.
4. Without further evidence that signing hospitals have actually altered their policies to meet the AHA's voluntary guidelines, Congress cannot assume that legislative and regulatory remedies are unnecessary.

## BACKGROUND

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In June of 2003, faced with accumulating bad publicity about some of its member's high prices and harsh billing and collections policies toward uninsured patients, the American Hospital Association (AHA) sent out a member advisory. With respect to hospital charges, charity care policies, and debt collection practices, it said, "Every hospital leader should be aware of these issues, familiar with their own internal policies and prepared to discuss them publicly."<sup>1</sup>

The advisory highlighted a lawsuit in California that challenged hospitals' practices of billing the uninsured at full hospital charges, often two or three times actual cost, while offering discounted prices to insurers and government payers. It also referenced accounts in the Wall Street Journal and elsewhere about hospital debt collection practices that included seizing bank accounts, putting liens on homes, and continuing to charge interest on uncollected sums owed by patients who had made an effort to settle their debts.

In light of this growing scrutiny, the advisory recommended that all hospitals review their gross charges and share charge information with the public, review their policies for identifying patients eligible for public programs and charity care, and review their debt collection practices to ensure that fear of a hospital bill would not get in the way of people receiving essential health services. The advisory went on to say, "Every hospital leader should be aware of these issues, familiar with their own internal policies and prepared to discuss them publicly."

In December of 2003, the AHA followed the member advisory with a statement of principles and guidelines about hospital billing and collections practices.<sup>2</sup> The statement called on hospitals to, among other things:

- Provide financial counseling to needy patients
- Have understandable, written policies to help patients determine if they qualify for public programs or charity care
- Make information about hospital-based charity care policies and other programs of hospital financial assistance known to the public
- Share these policies with appropriate community health and human services agencies and other organizations that assist people in need
- Ensure that staff members who work closely with patients are educated about hospital billing, financial assistance and collection practices
- Review all current charges and ensure that charges for services and procedures are reasonably related to both the cost of the service and to meeting all of the community's health care needs
- Make available for review by the public specific information in a meaningful format about what they charge for services

The AHA then released a Confirmation of Commitment to the Principles and Guidelines, which it asked its member hospitals to sign. The Confirmation of Commitment allowed hospitals to check one of following options:

- [Hospital name] proudly reports that its policies and practices on charges, charity care, billing and debt collection in general *meet or exceed* the principles and guidelines set forth by the Board of Trustees of the American Hospital Association.
- [Hospital name] proudly reports that it is *in the process of evaluating* its policies and practices on charges, charity care, billing and debt collection with the goal of in general meeting or exceeding the principles and guidelines set forth by the Board of Trustees of the American Hospital Association.

The AHA considers these voluntary commitments to abide by the billing and collections guidelines important in avoiding legislative or regulatory action. In June of 2004, the Oversight and Investigations Subcommittee of the House Energy and Commerce Committee held hearings on hospitals' pricing policies for the uninsured. When asked whether legislation was required to protect low-income patients from huge out-of-pocket payments, Representative James Greenwood, then chair of the subcommittee, said he wanted to see first whether hospitals embraced the voluntary guidelines. On the website where it asks hospitals to sign the Confirmation of Commitment, the AHA explicitly quotes Representative Greenwood's statement. The website states:

“If they get to 5,000, we won't have to legislate.” That was the comment from Representative Jim Greenwood (R-PA), chairman of the Energy & Commerce Committee's Subcommittee on Oversight and Investigations, at the June 24 hearing into hospital billing and collection issues, when told that more than half of the nation's hospitals had signed the Confirmation of Commitment. Congress is paying attention! Have you signed and returned yours?<sup>3</sup>

The AHA website states that more than 4,200 hospitals, or over 80% of its members, have signed the Confirmation of Commitment. However, the AHA only published the names of these hospitals in May of 2005, and still has not specified which hospitals claim to already meet or exceed the guidelines and which say only that they are evaluating their policies in light of the guidelines. It has also not provided any evidence that hospitals that signed the Confirmation of Commitment are in fact conforming to the guidelines.

Since the AHA and Congressional representatives are using the number of hospitals signing the Confirmation of Commitment as a way of determining the necessity of legislation to regulate hospitals' billing and collection practices for the uninsured, it is important to know whether the policies of hospitals that have signed the Confirmation of Commitment actually conform to the AHA guidelines and principles. The Access Project, a national resource center supporting community research and advocacy, undertook a survey of hospitals to investigate this topic. This report presents the findings.

## SURVEY METHODOLOGY

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Because the names of the hospitals that signed the Confirmation of Commitment were not available at the time of the survey, The Access Project randomly surveyed private non-profit and for-profit hospitals to ask if they had signed the commitment and, if so, whether they had carried out concrete actions to implement some of the key components of the guidelines.

Based on a pilot test of the survey, we determined that the hospital administrators most likely to be familiar with their institutions' billing, collections, and charity care policies were either the Chief Financial Officers (CFOs) or Directors of Patient Financial Services. Using a randomly generated list of hospitals, we thus attempted to contact CFOs or Patient Financial Service Directors at 31 non-profit and 30 for-profit hospitals to ask about their billing, collections, and charity care policies.

We called each hospital and asked for one of these administrators. In about 20 percent of the cases, when we explained the focus of the survey to this administrator, he or she redirected us to another administrator in the hospital. For hospitals that were part of larger hospital chains, we were often redirected to an administrator at the main corporate office.

Once the correct people to speak with were identified, we called them to explain the purpose of the survey and ask if they would participate. If we could not contact the identified administrators, we left messages explaining the purpose of the survey and asked them to return our call. When leaving a message at the second call, the administrators were asked to return the call and indicate whether they would participate in the survey. At the third call, the message reiterated that it was a follow-up to previous calls and the administrators were again asked to return the call and say whether they would participate. If a hospital administrator did not respond to the fourth call, the effort to contact him or her was terminated.

All potential respondents were invited to participate in the survey following a standard script. They were told that the survey contained five questions, would take only about ten minutes to complete, and that all responses would be confidential. The surveyor asked each respondent if his or her hospital had signed the AHA's Confirmation of Commitment and, if so, which option it had checked. He then asked the following questions:

1. Where can an individual find your hospital's charity care policy?
2. Can you provide the name of three agencies with which you have shared your policies?
3. Has your hospital initiated any staff trainings regarding its billing practices, financial assistance programs, and collection policies and practices?
4. When did your hospital complete its review of its charges and whether they are reasonably related to both the cost of the service and to meeting all of the community's health care needs?
5. Where can we obtain your hospital's format for informing people about its service charges?

Each question was based on a specific guideline in the AHA statement of principles. The questions were designed to see if respondents could report concrete and verifiable actions reflecting their compliance with the AHA principles and guidelines.

The survey effort began the week of December 13, 2004 and lasted for nine weeks. Approximately 148 hours were dedicated to collecting the information, or an average of about 2.5 hours per hospital.

## **STUDY LIMITATIONS**

A major limitation of the study is that while we asked hospital administrators to describe concrete steps they had taken to implement the AHA's voluntary guidelines, we were unable to independently verify if hospitals' policies were actually implemented as described.

# FINDINGS

## PARTICIPATION RATES

### Non-Profit Hospitals

Of the 31 non-profit hospitals we attempted to contact, 13 agreed to participate in the survey. Five of these hospitals were part of larger hospital networks (two were in one network and three in another), and in each case a corporate representative responded for all of the hospitals in the network. Thus, while 13 hospitals were represented in the survey, ten respondents were willing to participate.

Administrators at seven of the hospitals declined to participate. Administrators at the remaining 11 hospitals did not return any of our calls.

### For-Profit Hospitals

The response rate of 30 for-profit hospitals we contacted was lower. Only two hospital administrators agreed to participate in the survey. Five administrators explicitly declined to participate, while the remaining 23 did not return any of our calls.

### Overall Response Rate

The overall response rate for the survey was 25 percent—a quarter of the hospitals we contacted were willing to provide information about their billing, collections, and charity care policies.

TABLE 1. SURVEY PARTICIPATION RATE

	Non-Profit Hospitals	For-Profit Hospitals
Number of hospitals contacted	31	30
Number of participating hospitals	13*	2
Number of participating respondents	10*	2
Declined to participate	7	5
Did not respond to calls	11	23

\* Includes five hospitals that were part of two hospital networks. A corporate representative from each network responded for all hospitals in his network.

## SIGNING THE CONFIRMATION OF COMMITMENT

Of the ten non-profit hospital administrators who participated in the survey, all but one said that their hospitals had signed the Confirmation of Commitment to the AHA's hospital billing and collection practices principles and guidelines. The remaining respondent was not sure if the hospital had signed.

Of the nine who said their hospitals had signed the Confirmation of Commitment, five signed the option indicating that their hospitals already met or exceeded the guidelines. Of the remaining four respondents, three said their hospitals did not already meet or exceed the guidelines but were in the process of evaluating their policies, and one said he was unsure of whether this was occurring. The tenth respondent was unsure of whether his hospital had signed the Confirmation of Commitment and whether it was in the process of evaluating its policies.

Of the two for-profit hospitals that responded to the survey, neither of the hospital administrators could indicate either whether his hospital had signed the AHA's Confirmation of Commitment, or whether his hospital was in the process of evaluating its policies and practices with a goal of meeting or exceeding the AHA guidelines.

**TABLE 2. CONFIRMATION OF COMMITMENT STATUS AMONG RESPONDENTS**

	<b>Non-Profit Respondents</b>	<b>For-Profit Respondents</b>
Signed Confirmation of Commitment that already meets or exceeds AHA guidelines	5	0
Signed Confirmation of Commitment that is in process of evaluating its policies	3	0
Signed Confirmation of Commitment, but unsure of whether meets AHA guidelines or is in process of evaluating hospital policies	1	0
Unsure of whether hospital signed the Confirmation of Commitment or was in the process of evaluating its policies	1	2

## **MAKING CHARITY CARE AND FINANCIAL ASSISTANCE POLICIES AVAILABLE**

The AHA guidelines state that hospitals should make information on the hospital's charity care policies and other known programs of financial assistance available to the public, and have understandable written policies to help patients determine if they qualify for public programs or charity care. We thus asked respondents, "Where can an individual find your hospital's charity care policy?"

Eight of the non-profit respondents and two of the for-profit respondents provided clear answers to this question. Among the participating hospitals, the extent to which policies are made available varied widely.

According to one of the non-profit respondents whose hospital was in the process of evaluating its billing and collections policies, the hospital's charity care policies were posted

on its website, public notices were posted in the admitting and emergency departments and at other access points in the hospital, and information was provided on the hospital's 800 telephone line and the city's 211 help line. Another non-profit respondent, who said her hospital met or exceeded the AHA guidelines, volunteered only that the hospital's charity care policies were posted on its website.

A review of these two websites showed sharp differences in the amount of information the hospitals were willing to disclose. One of the websites provided a general statement about the availability of financial assistance and the phone number of a financial counselor, but no information about the hospital's specific charity care eligibility criteria. The other website did contain a clear statement about the hospital's charity care and collections policies; however, we were only able to locate this document by searching on the term "financial assistance" and then, among the provided links, selecting one entitled "our community involvement." The hospital did not return several calls requesting information about how consumers could easily access this information on the website.

A third non-profit respondent who said his hospital met or exceeded the guidelines reported that the hospital did not have a published policy, just signs in admitting areas and the emergency room, although he said that self-pay patients were provided with the facility's financial assistance policies. A non-profit respondent who was unsure if his hospital signed the Confirmation of Commitment said the charity care policies were accessible to employees through the hospital's administrative manual and intranet; patients received only a simplified Q and A sheet about the policies. Other responses included having signs in registration areas, publishing policies in administrative policy manuals, or providing policies to patients at admission.

Of those providing vaguer answers, one respondent who reported that his hospital signed the Confirmation of Commitment but was unsure of which option said, "That's a good question. It might be on our website. We comply with our internal policy to ensure those guidelines are filed with the state...." Another, who said his hospital signed the Confirmation of Commitment option saying it was in the process of evaluating its policies reported, "We are reviewing the policy and how to ensure easier access to it."

## **SHARING FINANCIAL ASSISTANCE POLICIES WITH OTHER AGENCIES**

The AHA guidelines call on hospitals to share their charity care policies with appropriate community health and human services agencies and other organizations that assist people in need. We thus asked, "Can you provide the names of three agencies with which you have shared your policies?"

Only four of the respondents answered this question fully, and they most often provided the names of one or two government agencies with which the hospital is required to file its policies. Other agencies mentioned included the local medical society, a local health care foundation, and a Reach Out program that works with the uninsured. Other respondents provided responses to this question that were somewhat vague. A respondent for a non-profit hospital that said it met or exceeded the AHA guidelines said, "Our statement of assistance is published annually, but we have not yet shared with agencies as the guidance indicates, but the fact that we do provide financial assistance and discounting to self pays is

generally known through the area.” A respondent from a non-profit hospital who said the hospital had signed the Confirmation of Commitment, but didn’t know which option, said “Well what kind of agency do you mean? Personally I don’t know but I think some CBOs [Community-Based Organizations] may have it.” A respondent from a for-profit hospital said, “We have talked about that but no, we have not shared.”

## **TRAINING STAFF IN FINANCIAL ASSISTANCE POLICIES**

The AHA guidelines state that hospitals should ensure that staff members who work closely with patients are educated about hospital billing, financial assistance and collection practices. Staff members to be trained include those working in patient registration and admitting, financial assistance, customer service, billing and collections, hospital receptionists, as well as nurses, social workers and others. We thus asked, “Has the hospital initiated any staff trainings regarding these areas?” Ten respondents provided clear answers to this question.

A respondent from a non-profit hospital network that said it met or exceeded the AHA guidelines reported that her staff had developed a training curriculum and that the network was training all of the financial counselors in all of their hospitals in the state; she said that she had personally trained all the registrars. “We are saying 13 hospitals — I am saying every single counselor in every single hospital is at the training and then we produce high-level leadership communication packages....in addition, all physicians receive an...FAQ sheet to speak to charity care.” She said emergency department, registration, and OB-GYN staff are also trained because more patients with high deductible insurance may need to know about charity care policies.

Another non-profit respondent who was unsure if her hospital had signed the Confirmation of Commitment said, “Yes, we have. All front access folks have been trained and all need to pass a test of competency on this. Brand new folders have been made available. All staff are made aware as to where these materials are. We do have Spanish and some Russian too—signs are posted too.” She reported that in addition, her central billing office and emergency department had run trainings.

A third non-profit respondent who said his hospital signed the Confirmation of Commitment, although he did not know which option it specified, reported that the hospital had trained the financial counseling unit and that the quality assurance unit would be cross-trained on financial counseling issues.

Some respondents suggested training efforts that were less formal or systematic—for example training that was part of routine orientation or individual-based rather than group training.

The respondents from the for-profit hospitals did not indicate that the hospitals had formal training programs. One said, “I spoke with department heads and then they spoke to their staff.” The other said the issue was discussed at staff meetings or one-on-one in an informal way, but the hospital did not have any formal or required training.

## REVIEWING CURRENT CHARGES

The AHA guidelines state that hospitals should review all current charges and ensure that charges for services and procedures are reasonably related to both the cost of the service and to meeting all of the community's health care needs. We thus asked respondents when their hospital had completed a review of their charges.

Most respondents indicated that their hospitals review and update their charge masters (fee schedules) on an annual basis. However, the responses did not clarify whether the fee schedules were adjusted to ensure that the charges were reasonably related to the cost of the services, as called for in the AHA principles.

## MAKING CHARGES FOR SERVICES PUBLIC

The AHA guidelines call on hospitals to make available for review by the public specific information in a meaningful format about what they charge for services. We thus asked respondents, "Where can we obtain your hospital's format regarding service charges?"

A few of the respondents indicated that their hospitals had tried to develop policies that would provide patients with information about estimated charges, although these policies did not always include ways for the general public to access information about charges. For example, an administrator from a non-profit hospital who was unsure of whether her hospital had signed the Confirmation of Commitment said, "We have a nurse auditor—you can come in and look at the charge master—so if you wanted to know what a knee replacement will cost, she will use the charge master and she will go through the last ten patients that received that service to develop a cost estimate of the procedure which she will give you."

Another respondent from a non-profit hospital that signed the Confirmation of Commitment saying it already met or exceeded the AHA guidelines reported, "We have the twenty most common charges listed on the website. As I say, we are rolling out more... We have a policy for cash pricing; procedures are initially quoted at Medicare plus 10% and then negotiated based on financial need."

Other respondents provided less detailed responses or could not report that their hospitals had implemented policies to inform people about charges for services. One respondent from a non-profit hospital that signed the Confirmation of Commitment stating it was in the process of evaluating its policies said, "We do not publicize it in the waiting room or anything. We do not have any state laws like Illinois has that meet that requirement. Partly because our charge master is so large, I don't really know how we would do that. I guess we could pick the most common." A respondent from a non-profit hospital that claimed to meet or exceed the AHA guidelines said, "We can work with folks, but we do not have a systematic approach to respond to a 'price shopper'—not to my knowledge."

Another respondent who said his non-profit hospital had signed the Confirmation of Commitment but did not know which option it had specified said, "Not sure... well yes if someone calls and is price shopping they would go to the main number and then be transferred to one of our financial counselors." Another respondent whose non-profit hospital was in the process of evaluating its policies said, "Our patient assistance folks will

help people get a range or an average cost for a service. We are trying to refine that now.” One of the for-profit respondents said his hospital had not made charges for services available.

## CONCLUSIONS AND RECOMMENDATIONS

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### CONCLUSIONS

The AHA website says that over 80 percent of its member hospitals have signed the Confirmation of Commitment stating they are either meeting or exceeding the AHA's guidelines related to billing, collections and charity care, or that they are evaluating their policies with the goal of meeting or exceeding the guidelines. The AHA did not publish the names of hospitals that signed the Confirmation of Commitment until May of 2005, which was after the survey was completed. However, given the high percentage of hospitals that signed the Commitment, we can assume that most of the randomly selected hospitals we tried to contact have in fact done so.

Because few of the hospitals we contacted were willing to participate in the survey and share information about these policies, we cannot make any definitive statements about whether hospitals that have signed the Confirmation of Commitment have actually implemented policies reflecting the AHA's guidelines. However, the fact that a large majority of the hospitals we contacted was unwilling to share information is itself noteworthy, since increasing the transparency of hospital policies related to charity care, billing and collections is a major focus of the AHA guidelines.

For example, the guidelines call on hospitals to make the availability of financial counseling to patients "widely known" and to make information about charity care policies available "to the public." They also say hospitals should have "understandable, written policies" to help patients determine if they qualify for financial assistance programs and "share" these policies with community health and human services agencies and other organizations that assist people in need. Moreover, the AHA's member advisory called on hospital leaders to "be aware of these issues, familiar with their own internal policies and prepared to discuss them publicly." Our experiences in trying to collect information about these policies suggest that the information is not always easily available. In this regard, the AHA would itself seem to contradict its call for greater openness about hospital policies by failing to make public which of the hospitals that have signed the Confirmation of Commitment claim to already meet or exceed the guidelines and which are merely reevaluating their policies in light of the guidelines.

This lack of information, of course, does not prove that hospitals are failing to live up to the AHA's voluntary guidelines. However, the failure to provide information does raise legitimate concerns, and places the burden on the AHA and the hospitals that have signed the Confirmation of Commitment to demonstrate that they are making their policies widely available and that their practices do in fact reflect the principles stated in the AHA guidelines.

Additionally, while the small number of hospitals responding to the survey makes any generalizations impossible, the fact that the participating hospitals' self-reported practices did not consistently correspond to their stated commitment to the voluntary guidelines reinforces these concerns. Some hospitals that said they already meet or exceed the AHA guidelines reported policies that did not reflect full compliance with the guidelines. And while responses suggested that at least in some areas, some hospitals had altered their

practices in light of the guidelines, none of the hospitals that participated in the survey consistently met all of them.

## **RECOMMENDATIONS**

The AHA's guidelines and principles regarding hospital billing, collections, and charity care policies are ones that hospitals can reasonably be expected to achieve, and some hospitals have already taken significant steps to improve their policies, make them publicly available, and ensure that all patients who may be eligible for financial assistance are helped to apply.

In Champaign, Illinois, for example, Provena Covenant Medical Center worked with a local health care advocacy group, Champaign County Health Care Consumers (CCHCC), to improve its billing and collections policies and procedures. The hospital now offers free care to those earning up to 120 percent of the federal poverty level and partial assistance for those earning up to 300 percent of the poverty level. Provena Covenant also worked with CCHCC to develop effective methods for informing patients about these policies, such as placing ads in local newspapers, translating brochures into multiple languages, and displaying posters prominently within the hospital, including in the bathrooms.

In Northampton, Massachusetts, Cooley Dickinson Hospital joined with the Hampshire Community Action Commission to form Hampshire Health Connect, a hospital-based program that offers screening and enrollment assistance to every uninsured patient seen at the hospital. The program screens patients for eligibility for any public and private programs for which they may be eligible, refers them to a volunteer physician network if appropriate, and helps those without other options apply for the hospital's charity care program.

However, even though a large percentage of member hospitals have signed the AHA's Confirmation of Commitment, this survey indicates that one cannot reliably conclude that hospitals have actually changed their billing, collections, and charity care policies and practices. The burden is now on the AHA and its member hospitals to actively demonstrate that signing the Confirmation of Commitment is a meaningful reflection of hospital policies. We recommend the following:

1. The AHA should make public which hospitals that have signed the Confirmation of Commitment claim to already meet or exceed the AHA guidelines and which say only that they are reevaluating their policies in light of the guidelines. Accountability for actually meeting the standards is not attainable without publication of this information.
2. All hospitals should publish their charity care, billing, and collections policies and make them widely available on their websites, within the hospital, and throughout their communities. They should also provide them to anyone who requests them, regardless of whether the requests are from patients, community residents, other individuals, or local, state, or national organizations.

3. The AHA needs to find ways to guarantee that hospitals are living up to their commitments.
  - It should encourage hospitals to work with organizations in their communities that represent and work with low-income uninsured and underinsured residents to develop charity care, billing, and collection policies; widely disseminate them; and monitor their implementation in an ongoing way.
  - It should establish an ongoing quality assurance program to monitor hospitals' conformance to the guidelines, for example, by seeking and reporting on regular input from patients and relevant community organizations on the existence and effectiveness of hospital policies in these areas.
  - It should fund initiatives to develop and implement model programs in these areas and provide hospitals with technical assistance in implementing best practices and approaches.
4. Congress should not accept hospitals' signatures on the Confirmations of Commitment as proof that hospitals have in fact altered their policies and practices in accordance with the AHA's voluntary standards. Without further evidence that signing hospitals have actually altered their policies to meet the standards, Congress cannot assume that legislative and regulatory remedies are unnecessary.

*This effort to document billing and collection practices affecting uninsured patients was supported by the W. K. Kellogg Foundation.*

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<sup>1</sup> American Hospital Association, *Member Advisory: Four Related Issues Drawing Media and Congressional Attention – Know Your Organization’s Policies*, June 10, 2003.

<sup>2</sup> American Hospital Association, *Hospital Billing and Collection Practices: Statement of Principles and Guidelines by the Board of Trustees of the American Hospital Association*, December 2003.

<sup>3</sup> American Hospital Association, *Charity Care, Billing and Collection Practices*,  
[http://www.aha.org/aha/key\\_issues/bcp/index.html](http://www.aha.org/aha/key_issues/bcp/index.html)