

## WHA Responds to Sen. HELP Chairman Sanders' Misleading Majority Staff Report on Hospital Charity Care

On Oct. 11, WHA sent a letter to Wisconsin U.S. Senator Tammy Baldwin, a member of the U.S. Senate Health, Education, Labor, and Pensions (HELP) Committee, responding to a misleading [majority staff report issued by Senate HELP Chairman Bernie Sanders](#).

The report unfairly attacks hospitals with entirely one-sided half-truths about hospital charity care and debt collection policies.

For instance, the report claims hospitals are not meeting their obligations to provide charity care (free or reduced care to low-income patients) who cannot afford their medical bills. In reality, most hospitals employ charity care policies that forgive medical bills for patients with incomes up to 200% of the federal poverty level (with some having even higher thresholds) as well as sliding scale assistance for those with incomes above that threshold.

Additionally, the observation that overall charity care may be going down should be seen as a policy success of the Affordable Care Act, which has greatly reduced the number of uninsured Americans - from about 18% in 2011 to less than 8% in 2023.

"Of course, the more Americans that have access to Medicaid or government-subsidized insurance through healthcare.gov, the less likely they will be to need to access charity care policies," noted WHA President and CEO Eric Borgerding in the letter.

The report also entirely leaves out the significant losses that hospitals and health systems take for serving Medicaid and Medicare patients. Wisconsin hospitals lost \$3.7 billion compared to what it cost them to care for Medicaid and Medicare patients in 2021, an amount that dwarfed the still significant \$388 million Wisconsin hospitals provided in charity care and bad debt that year.

Sen. Sanders' majority staff report also perpetuates a misnomer about some hospitals' use of liens for patients that choose not to pay their bills or do not respond to repeated attempts to establish whether they have the ability to pay. In reality, such liens are usually done to establish a right for hospitals to collect their portion of any accident insurance settlement in which the injured party was awarded a claim for the very purpose of paying a medical bill—a process not unlike that which the state Medicaid department also uses in cases where it has paid out claims.

Lastly, WHA notes that while this staff report has taken a similar tact that many outrageous news articles and patient consumer groups have in trying to paint hospital bill collectors as preying on the indigent public, the reality is the exact opposite. Unlike utilities, telecommunications companies, or landlords, hospitals cannot shut off someone's service or evict them for failing to pay their bills, but are required to provide the same level of high-quality care to anyone that comes through their emergency room doors, regardless of their ability to pay. In fact, [the National Consumer Law Center](#) actually advises people to pay medical debt last, due to the friendlier terms and much lower likelihood to impact a person's credit score.

You may read the full letter [here](#).

### Other Articles in this Issue

- [Senate Committee Hears Strong Opposition to Bill Creating New State-Level Regulations for Hospital Pricing](#)
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