

Testimony in **SUPPORT** of HB1420 / SB0875 – Hospitals Financial Assistance Policies and Bill Collections

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I'm a proud Baltimore City resident, a community organizer, and physician practicing at the Johns Hopkins Hospital.

My support for HB1420 comes down to a patient I took care of earlier this month on our General Medicine service. Mr. B came down with a case of flu. He's 72 and has COPD, served in the army and then worked as a truck driver all his life until he was laid off last year. Now he's on Medicare, but has no drug coverage and so largely goes without inhalers. By the time I met him, he had been in the hospital 10 times for his COPD since summer.

There's no doubt this is a familiar story to the General Assembly, which just last year showed admirable leadership protecting Marylanders from rising drug prices. Now I implore you to act on a different type of financial toxicity—medical debt from hospitalization.

Medical debt can't be mitigated if you ration your meds or bargain shop. There's no GoodRx to figure out how much the hospital is going to bill you, and with cost-sharing/deductibles it can happen whether you have insurance or not.

One of the mantras of good hospital medicine is to start planning for discharge on day one. **It's my business as a doctor to think about what happens to patients when they leave the hospital.** I referred Mr. B to a case manager, arranged for him to see a pulmonologist, and scheduled an outpatient CAT scan to check out a lung nodule which might be cancer.

Will he engage in any of this care if he's being hassled by collections? If he's hit with a huge bill this time, how do I encourage him to seek timely care the next time he's sick, and hopefully avoid a trip to the ICU? **Research tells us that patients miss vital treatment and follow-up care because of cost, and that medical bankruptcy is associated with greater risk of mortality.**

Through the work of my friends at National Nurses United, the AFL-CIO, the Maryland Consumer Rights Coalition and the Maryland Volunteer Lawyers Service, I now know that medical debt isn't just confined to my poor and black community in East Baltimore. From Salisbury to Silver Spring, Hagerstown to Towson, non-profit hospitals are suing indigent patients over their medical bills.

**The bills being taken to court are literal pennies on the dollar compared to net income and executive compensation at our non-profit hospitals. For my patients, they are ruined credit scores, garnished paychecks, or losing a car.** We need to do more than call out the practices of a few bad actors. Despite all of Maryland's innovative arrangements in health financing and expanding access, much work remains. How will our elected officials value the livelihoods of ordinary Marylanders? I urge you to vote to protect patients, and vote favorably on HB1420/SB0875

Thank you for your consideration



Julius Ho, MD, MPH

## Cancer-Related Financial Toxicity (CRFT)

**Cancer-related financial toxicity (CRFT)** is a national crisis hiding in plain sight. Families fighting cancer are overwhelmed by lost income and increased out-of-pocket costs associated with treatment. As a result, they face higher mortality rates, the inability to adhere to their treatment plans and bankruptcy.



There are 15 million people living with cancer in the United States



73% of adult patients will experience some form of CRFT

## Higher Mortality and Relapse Rates



Patients who file for bankruptcy have a 79% greater risk of early mortality



Children from high-poverty areas relapse sooner than children in low-poverty areas

## Interrupted Access To Care



29% of patients skip doctors appointments



38% postpone or do not fill drug prescriptions



31% cut oral medications in half



34% skip doses entirely

## Inability To Afford Daily Living Expenses & Bankruptcy



Only one-third of cancer patients continue working full time after diagnosis

**BANKRUPTCY**  
**2.65x**  
**MORE LIKELY**

Adult cancer patients are 2.65x more likely to file for bankruptcy



42% of insured cancer patients reported a significant or catastrophic financial burden

The most commonly reported material hardships among families of a child with cancer are:



FOOD



HOUSING



UTILITIES

# Almost half of U.S. heart disease patients struggle with medical bills

Lisa Rapaport

5 MIN READ



(Reuters Health) - Roughly 45 percent of Americans under 65 who have cardiovascular disease experience financial hardships from medical bills, a U.S. study suggests.

And, almost one in five of them can't afford to pay their medical bills at all.

"Patients and doctors often don't have a conversation about financial hardship or distress – being due to a feeling of awkwardness, being judged, fear or even being stigmatized," lead study author Dr. Javier Valero-Elizondo of Yale University in New Haven, Connecticut, said by email.

This type of distress has become so common among Americans with chronic diseases that scientists have taken to calling it "financial toxicity," a phrase coined to evoke side effects on par with complications from drugs or surgery that can have lasting effects on patients' physical and mental health.

In the current study, researchers focused on adults under 65 with atherosclerotic cardiovascular disease (ASCVD), a condition that includes heart attacks as well as blockages or narrowing of the arteries in the heart or chest pain caused by reduced blood flow to the heart.

ASCVD is the leading cause of death and disability in the U.S. and one of the costliest conditions for patients, researchers note in the *Journal of the American College of Cardiology*. Even among insured patients, many people with these heart problems are prone to financial hardship because of the high cost of insurance, including deductibles, co-pays and co-insurance.

Patients with heart disease typically have out-of-pocket health costs of more than \$2,000 a year, with more than half of that tab paying for medications, the study authors note.

"The costs of managing ASCVD are substantial and constitute a major source of concern at a personal level, especially for low-income families and uninsured patients who generally may not have enough financial reserves with which to offset the burden of unexpected health care expenditures," said senior author Dr. Khurram Nasir, also of Yale University.

To assess the financial burden of heart disease, researchers looked at data from the 2013 to 2017 National Health Interview Surveys on 6,160 adults under 65 with heart disease.

Survey respondents were defined as having financial hardship from medical bills if they or anyone in their family reported having problems paying medical bills in the past year or were currently paying off medical bills over time. If they reported problems paying bills, they were then asked if they have bills they are unable to pay at all.

Lower income and higher income individuals, as well as insured and uninsured reported financial hardship and inability to pay; however, the highest burden of financial hardship and inability to pay was reported among uninsured and poor Americans.

About one in three heart disease patients with financial hardship from their medical bills had to cut back on necessities like food or forgo needed medications as a result, the study found. One in five patients unable to pay their bills had to both cut back on both food and drugs.

One limitation of the study is that researchers lacked data from medical bills to explore the exact amount of patients' out-of-pocket costs or what proportion of their income might be consumed by paying these bills.

Another drawback is that even though the study focused on which patients with heart disease had stress related to medical bills or unpaid bills, it doesn't show whether the money problems were from bills for heart disease or another condition.

Even so, the results suggest that a great number of heart disease patients are under so much financial stress from health costs that they're skipping medicines that can prevent complications and death from heart disease, said Dr. David Himmelstein, a public health researcher at the City University of New York at Hunter College who wasn't involved in the study.

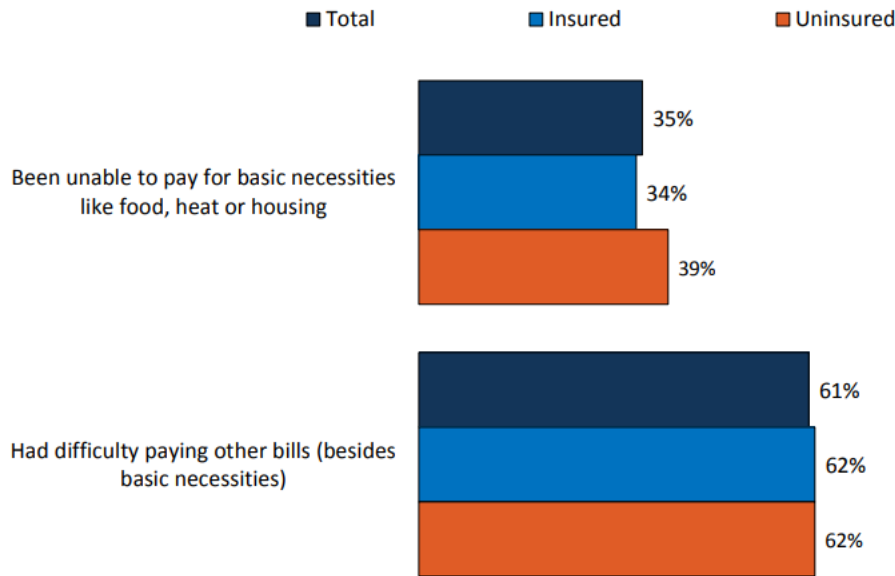
"In essence, unless you are Jeff Bezos, you're just one major illness away from financial ruin," Himmelstein said by email. "To address this problem we need a major overhaul of health insurance - I favor a single payer reform - and improved disability coverage."

SOURCE: [bit.ly/215W5AU](https://bit.ly/215W5AU) *Journal of the American College of Cardiology*, online February 11, 2019.

Figure 13

## Reports of Difficulty Paying Other Bills and Basic Needs As A Result Of Medical Bills

AMONG THOSE WHO HAD PROBLEMS PAYING HOUSEHOLD MEDICAL BILLS IN THE PAST 12 MONTHS: Percent who say they have experienced any of the following in the past 12 months as a result of these medical bills:



SOURCE: Kaiser Family Foundation/New York Times Medical Bills Survey (conducted August 28-September 28, 2015)



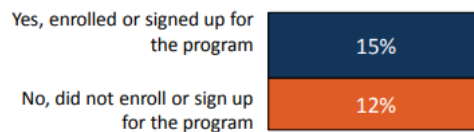
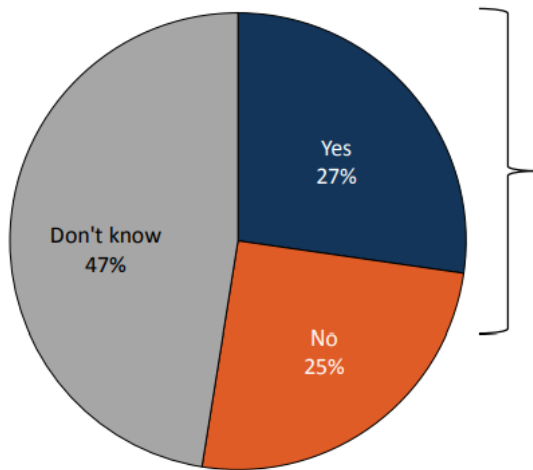
Figure 22

## Many Who Had Hospital Bill Problems Are Unaware of Hospital Fee Reduction Programs

AMONG THOSE WHO HAD PROBLEMS PAYING HOSPITAL BILLS IN THE PAST 12 MONTHS: Does any hospital where you received care have a program to reduce or waive bills for people who have trouble paying, or not?

ASKED OF THE 27% WHO HAD PROBLEMS PAYING HOSPITAL BILLS IN THE PAST 12 MONTHS AND SAY THEIR HOSPITAL HAS A PROGRAM TO REDUCE BILLS: (Percentages shown based on total who had problems paying hospital bills)

Did you enroll or sign up for the program, or not?



SOURCE: Kaiser Family Foundation/New York Times Medical Bills Survey (conducted August 28-September 28, 2015)

