



The Bell Policy Center

303 E. 17th Avenue, Suite 400, Denver CO 80203 • 303.297.0456

Health Care Billing Requirements for Indigent Patients (HB21-1198)

Testimony to Senate Health & Human Services Committee

Andrea Kuwik, Policy Analyst • May 25, 2021

Thank you for the opportunity to submit written testimony in support of HB21-1198. My name is Andrea Kuwik, and I'm a policy analyst with the Bell Policy Center. The Bell Policy Center provides policymakers, advocates, and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

At the Bell, we've long been concerned about the deep, long-lasting, and intergenerational consequences of exorbitant debt on Colorado families and communities. It's this concern that drives our strong support for HB21-1198. We know medical debt is the [number one cause](#) of bankruptcy in the United States, and [nearly 20 percent](#) – a number which has been growing since 2018 – of Coloradans report struggling to pay their medical bills. With regard to those who have debt in collections, data from the [Urban Institute](#) shows:

- An astonishing 13 percent of Coloradans have medical debt in collections. Concerningly, these numbers skyrocket to 22 percent when examining the prevalence of medical debt collection in Colorado's communities of color.
- Coloradans without insurance are disproportionately impacted by medical debt. While [6.5 percent of Coloradans](#) were uninsured in 2019, 10 percent of those with medical debt in collections lacked health insurance.
- Finally, maps show the statewide nature of this issue. High rates of medical debt exist throughout the state, with especially significant concentrations in the northeast and southeast corners of our state.

All of these challenges existed well before COVID-19. However, data shows problems with debt have only worsened over the past year.

- Between August 2019 and August 2020, medical debt [increased by 7 percent](#) nationwide.
- Through September 2020, [42 percent of Coloradans](#) said they'd taken on debt to make ends meet during the pandemic – the second highest rate in the country.

The immediate consequences of high debt are staggering, forcing too many people to make difficult choices on whether to spend their limited income on medical bills versus clothing, food, or [any number of other basic necessities](#). Often overshadowed, however, and what we've paid especial attention to at the Bell, are the long-term consequences of debt on families and communities across our state.

- [An inability to pay medical bills impacts one's credit](#), as payment history is responsible for over a third of a person's credit score. Used in determining whether an applicant can rent an apartment, buy a house, or purchase a car, credit scores directly impact where Coloradans are able to live and make a living.
- Concerningly, medical debt's negative effects on one's credit score can also close off traditional forms of low-cost credit (ex: traditional bank loans). As a result, when these Coloradans need credit, they're left to rely on higher-cost predatory lending products. Whether in the form of payday or alternative charge loans, these products are known for their [far higher interest rates, fees](#), and propensity to trap families in long-lasting cycles of debt and poverty.

Exorbitant medical debt has significant consequences, impacting the financial security and well-being of families across our state. It plays a role in whether Coloradans can send their children to college, afford a home, and make long-term investments in their family's well-being. HB21-1198 provides a meaningful solution to help families avoid medical debt to begin with. By taking measures to increase insurance coverage and reduce health care costs for those who need it the most, we can build community wealth and well-being for generations to come.

Thank you again for the opportunity to submit written testimony, and for Representative Judah for bringing forward this bill. We encourage you to vote in support of this important measure.



HB21-1198 Health-care Billing Requirements For Indigent Patients

Sponsors: Rep. Iman Jodeh; Sen. Janet Buckner, Sen. Chris Kolker

CFI position: SUPPORT

Madam Chair and members of the Health & Human Services Committee,

My name is Esther Turcios, and I am the Legislative Policy Manager at the Colorado Fiscal Institute (CFI). At CFI we work to make Colorado a state where tax and budget policies promote equity and widespread economic prosperity. I am submitting this testimony in support of HB21-1198, Health-care Billing Requirements For Indigent Patients.

CFI supports HB21-1198 because we strongly believe that no Coloradan should be crushed by medical debt for simply seeking needed care for an illness or injury. Thriving communities and a strong economy can only exist and flourish when we are all healthy. When Coloradans find themselves in good physical, emotional, and mental health they can take care of themselves and their families. They can also work and earn their wages or salary, which they then spend in their local economies. This is especially true of Colorado workers who earn low incomes who spend a higher portion of their earnings in the local economy than high-income households.¹

Unfortunately, too many Coloradans find themselves crushed under the weight of medical debt. Today, fifteen percent of Coloradans and 25 percent of Coloradans of color have medical debt in collections.² Too many individuals and families are putting off getting the medical care they need in order to avoid financial ruin. This is not just harmful for their health, but even when people do choose to seek medical attention and take on the high cost associated with it, they are then left to deal with unmanageable debt. Unpaid medical bills then get sent to collections, affecting their credit score, and ultimately creates an even more serious set of barriers. A poor credit score can keep individuals and families from being able to rent an apartment, purchase a home, or get a credit card, all of which can help provide the financial stability that allows us to live healthy lives.

Further, when Colorado workers who earn low incomes are spending more of their money paying off medical debt, that means less in their pockets to spend in their grocery store, or at a local restaurant or coffee shop, all of which support economic activity. A report by the Urban Institute found that failing to reform our state's health care system has high economic and social costs. In particular, they found that inaction in making health care more affordable means that health spending will claim larger shares of a family's budget for at least the next decade.³

House Bill 1198 is a strong step in the right direction to ensure that Colorado's working families, especially families of color, have access to financial assistance and do not have to worry about choosing between their health or unmanageable medical debt.

For these reasons, CFI urges your yes vote on HB21-1198.

¹ <https://www.coloradofiscal.org/2020/06/08/budget-cuts-tax-cuts-colorado/>

² <https://cclponline.org/our-tools/legislative-advocacy/legislative-priorities/hb21-1198-hospital-billing-reform/>

³ https://coloradohealth.org/sites/default/files/documents/2017-01/economic_analysis_web_version-The%20Future%20of%20CO%20Health%20Care.pdf

Esther Turcios
Colorado Fiscal Institute
turcios@coloradofiscal.org

Testimony for HB21-1198 “Health-care Billing Requirements For Indigent Patients”

I am Megan Wilson, Director of Programs for the Delta Dental of Colorado Foundation, and I am pleased to testify today on behalf of the Foundation in support of House Bill 1198.

Delta Dental of Colorado Foundation elevates the well-being of all Coloradans by advancing oral health equity. We do this by partnering with communities across Colorado to ensure all of our neighbors can access, understand, and value good oral healthcare. We are the philanthropic arm of Delta Dental of Colorado, a nonprofit dental benefits company servicing Colorado for almost 65 years. One of our cornerstone initiatives is the Colorado Medical-Dental Integration project, which integrates a dental hygienist into primary care medical settings. We do this because we know that when the mouth is a part of the body, and integrated healthcare is prioritized, this leads to optimal health outcomes.

The Foundation believes that HB1198 will help promote greater health equity. We support systems that enable people to get the healthcare they need without risk of medical debt or bankruptcy simply to get the treatment needed.

We support this bill because:

- One of the primary barriers to people accessing the healthcare system is the high cost of care, obviously even more exacerbated for people without insurance.
- Oral and overall health equity cannot be achieved when people face bankruptcy or collections because they cannot afford their health care.
- From an oral health perspective, patients generally utilize the hospital system for care due to rampant decay, severe infection or trauma, issues oftentimes resulting outside of their control, which may be coupled with other severe medical healthcare issues.
- In pursuit of oral health equity, we seek to remove barriers that keep those adversely impacted by the social determinants of health from accessing the healthcare system and maintaining personal economic stability.

Oral health is essential to overall health and this legislation will ensure that those in greatest need of oral health emergency treatment receive it when they need it most rather than delaying care which can lead to more risky and complex health issues. HB1198 advances health equity and we support its inclusion of comprehensive healthcare needs.

Written Testimony as Prepared for Delivery in Support of **HB1198: Health-care Billing Requirements for Indigent Patients** by Jacy Montoya Price, Advocacy Director, Colorado Children's Campaign and Co-Convener, Raise Colorado coalition

Senate Health and Human Services Committee

May 25, 2021

Upon adjournment

Virtual Testimony

- Thank you, Chair Fields and members of the committee.
- My name is Jacy Montoya Price and I'm Advocacy Director at the Colorado Children's Campaign, where we fight for every chance for *every* child. I also co-convene the Raise Colorado coalition, which advocates for the health and wellbeing of pregnant people, infants, toddlers, and their families.
- I am here in strong support of this bill and with appreciation to Senate sponsors Senators Buckner and Kolker for bringing it forward.
- This bill will reduce harm against the most marginalized and under-resourced communities in Colorado.
- HB21-1198 will prevent overcharging of low-income patients, ensure hospitals screen patients for assistance, prohibit collection actions unless hospital providers take steps to protect patients, and ensure all patients have access to information about their rights in their primary language.
- Medical bills are the most common cause of unpaid bills sent to collection agencies. 15 percent of all Coloradans and 1 in 4 Coloradans from communities of color are struggling with medical debt in collections.
- The disproportionate debt burden experienced by communities of color is the result of racist policies and practices that have concentrated financial distress and higher uninsured rates in Black and Brown communities. That debt burden further restricts communities of color from fully participating in Colorado's economy.
- This is also a kids' issue. Pregnancy and childbirth are among the most costly hospital-based health services, according to an analysis of hospitals charges conducted by the Agency for Healthcare Research and Quality.

- Families with lower incomes or who are uninsured are more likely to use the emergency room for postpartum care and report that they are very worried about paying their medical bills.^{1, 2}
- No child should come into this world a source of crushing medical debt for their family and no Coloradan should suffer financial ruin because they or a loved one received critical health care. HB21-1198 will help break the cycle of debt-driven poverty while helping Colorado's economic recovery.

¹ Deborah B. Ehrenthal, Katie Gelinas, David A. Paul, Abiy Agiro, Cynthia Denmark, Anthony J. BrazenIII, Michael Pollack, and Matthew K. Hoffman .Journal of Women's Health. Sep 2017.984-991.<http://doi.org/10.1089/jwh.2016.6180>

² McMorrow, Stacey; Dubay, Lisa; Kenney, Genevieve M.; Johnston, Emily M.; and Alvarez Caraveo, Clara. "Uninsured New Mothers' Health and Health Care Challenges Highlight the Benefits of Increasing Postpartum Medicaid Coverage," May 2020. <https://www.urban.org/sites/default/files/publication/102296/uninsured-new-mothers-health-and-health-care-challenges-highlight-the-benefits-of-increasing-postpartum-medicaid-coverage.pdf>

HB1198_L.008

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Health & Human Services.

HB21-1198 be amended as follows:

- 1 Amend reengrossed bill, page 4, line 1, strike "EXCEPT A" and substitute
2 "EXCEPT:
3 (I) A".
- 4 Page 4, line 2, strike "(aa)(4)." and substitute "(aa)(4); OR
5 (II) A STUDENT-LEARNING MEDICAL AND DENTAL CLINIC THAT IS
6 ESTABLISHED FOR THE PURPOSE OF STUDENT LEARNING, OFFERING
7 DISCOUNTED PATIENT CARE AS PART OF A PROGRAM OF STUDENT
8 LEARNING, AND IS PHYSICALLY SITUATED WITHIN A HEALTH SCIENCES
9 SCHOOL."
- 10 Page 6, line 21, strike the second "A" and substitute "EACH".
- 11 Page 9, line 27, strike "EIGHTY" and substitute "ONE HUNDRED".
- 12 Page 10, line 1, strike "OR, IF A MEDICARE RATE IS NOT AVAILABLE," and
13 substitute "OR".
- 14 Page 10, line 2, strike "RATE." and substitute "RATE, WHICHEVER IS
15 GREATER."
- 16 Page 13, line 8, after "PATIENT." insert "IF A HEALTH-CARE PROFESSIONAL
17 IS AN OUT-OF-NETWORK PROVIDER UNDER A QUALIFIED PATIENT'S HEALTH
18 INSURANCE PLAN, THE HEALTH-CARE PROFESSIONAL AND HEALTH
19 INSURANCE CARRIER SHALL COMPLY WITH THE OUT-OF-NETWORK BILLING
20 REQUIREMENTS DESCRIBED IN SECTIONS 10-16-704 (3) AND 12-30-113."

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As an expert on health care access and immigrant health, and a professor of anthropology at the University of Colorado, Denver, I am writing to strongly support HB21-1198. Having conducted interviews with Latino immigrants about their health care access in Colorado's resort communities Vail and Aspen since 2018, I have witnessed first-hand the fact that eligible immigrants are routinely not offered Emergency Medicaid for qualifying emergencies in the resort area's hospitals. This not only starves hospitals of federal reimbursement for emergency services, but also saddles immigrants with extreme medical debts and hinders their and their children's economic and educational mobility. Almost every single immigrant out of the 36 whom I have interviewed since 2018 has had to pay off large medical debts to area hospitals over several years for emergencies that could have been covered by Emergency Medicaid had they been assessed for eligibility as HB21-1198 would require.

Let me provide a few choice examples, using pseudonyms:

MA is a 47-year-old undocumented immigrant who has been in the US for 21 years and suffered a severe allergic reaction to an unknown substance on October 25, 2019. She remembers, "My face was swollen and my eyes shut because of the swelling and my lips as well. And I was itching all over." She called her primary care physician at the community health center, who told MA to immediately visit an Emergency Room because her airways might close up. In the Valley View Hospital ER, doctors calmed her allergic reaction with Benadryl and Epinephrine administered through an IV, and then sent her to the Intensive Care unit where she was monitored for four days. She was released on October 30 with orders to visit an allergist and a prescription for an epipen. MA's citizen children are enrolled in Medicaid, so she would have qualified for Emergency Medicaid had she been offered it. However, she was never offered the insurance while in the hospital; when she contacted Valley View's Financial Assistance Department a month after her discharge, she was never offered it then either. Now she faces a bill of \$41,616.63 for her time in the ER and hospital—a bill that has since been sent to a collections agency. MA has since learned that Emergency Medicaid could have covered her bill had she been offered it, but has also learned that she has exceeded the 90-day limit for an application for retroactive coverage. Because hospital staff do not offer Emergency Medicaid to undocumented immigrants in Garfield County, MA was not even aware the coverage was available. HB21-1198 would have prevented this situation.

JA is an undocumented immigrant living in Glenwood Springs; her husband was hospitalized for three days in Valley View Hospital in Glenwood Springs in late March 2020. He later died in Intensive Care in Grand Junction, and JA received a bill of more than \$63,000 for just three days of his care. When she contacted the Garfield County Human Services Department, she was informed that in order to get his treatment covered by Emergency Medicaid, she would need to have a physician certify that he had come in for an emergency on a special form; the eligibility worker did not tell her how to find the form. JA called the hospital social worker but she never, until this day, returned her calls. It was only due to her education and personal connections that JA was able to locate the county's Emergency Medicaid Certification Form. Because JA currently works as a medical assistant in an area free clinic, she personally knew the Outreach and Enrollment Coordinator at the local community health center in Garfield County. The Outreach and Enrollment Coordinator was able to obtain the required form for her, and as a medical assistant, JA was able to have it signed by her own boss to certify it was an emergency.

While JA was ultimately able to have her husband's hospital bill covered by Emergency Medicaid, she recognizes that few patients would have her connections and resourcefulness. HB21-1198 would prevent this situation from arising again.

ER is a single undocumented mother of two who lives in the Eagle River Village Mobile Home Park in Edwards; she has been in the US for 19 years and earns about \$22,000 for a family of six. About three years ago, she began bleeding heavily when pregnant and visited the Vail Health ER, where she was diagnosed with placenta previa. "And they charged me \$3500 for three hours," she says. I ask whether she was offered Emergency Medicaid and she says she asked at the Patient Financial Assistance Office but was told that Emergency Medicaid "only covers births." Her five children have always had Medicaid, so she would have qualified for Emergency Medicaid. HB21-1198 would have allowed her emergency care to be covered by Emergency Medicaid.

FE is a 54-year-old undocumented immigrant who lives in the Eagle River Village Mobile Home Park in Edwards; he and his wife have been in the US for 22 years. In 2019, he began experiencing difficulty walking due to swollen testicles. Late that year, he finally went to the Urgent Care in Avon and was seen; the doctor there—who operates at Vail Health—made an appointment for him at the hospital to have surgery to remove the cyst in his testicles. The surgery was rescheduled three times due to COVID. FE finally had the surgery in October 2020. Because the doctor suspected he may have testicular cancer, he was scheduled for additional studies and now needs a biopsy. FE's two minor citizen children have Medicaid, but FE was never offered Emergency Medicaid in the hospital. He contacted Vail Health's Financial Assistance Office and did receive a discount on the \$17,000 bill but not a payment plan. The Office recommended he contact a philanthropy that assists men with testicular cancer, but he was told by the fund's staff that it does not cover undocumented immigrants. Although FE did not receive help from Emergency Medicaid or from this philanthropy, his daughter created a "Go Fund Me" page on Facebook that helped raise a few thousand dollars to offset his costs. HB21-1198 would have allowed his surgery to be covered by Emergency Medicaid.

HB21-1198 is an important step towards ensuring that low-income patients such as immigrants receive coverage by the public insurances and discounts for which they are eligible. If hospital Financial Assistance Offices and administrative staff do not appropriately screen patients for the assistance for which they are eligible, this leaves low-income patients with a heavy burden of medical debt that takes years for them to pay off. This diverts immigrants' resources from paying for homes and children's education to instead paying collection agencies, and is ultimately bad for low-income families, for the economy, and for hospitals.

Richard Armstrong: 303-840-8324; stateoart@mac.com

Thank you Madam Chair and members of the committee. My name is Richard Armstrong and I live in Parker, CO. Thank you for hearing my testimony in support of HB#21-1198.

I am a Coloradan with a disability which requires a service dog and regular assistance to help me get around safely. My wife had to quit her job to help me at home full time because it is too dangerous for me to be home alone. I am homebound and have been unable to work for over 5 years. Currently, we have no income and no insurance. Our 401k is nearly exhausted, and we don't know how we will make it last. We are not okay. Our home is paid for, but we still have to pay bills and we get all our food from our church's food bank. Even though the house is paid for, I worry that we will end up homeless. We certainly don't have the means to incur medical debt.

Last April, I got a sore throat and scheduled an online telehealth office visit. I was quoted \$80-100 for the initial visit, and then \$60 for telehealth visits after that. I told them that I was self-pay, disabled, and had no income or insurance. When they told me that self-pay patients get 50% off their bill, I made the appointment.

Months later I received a bill for \$827 which they adjusted down to \$640. I called multiple times to dispute the charges and they have since dropped the amount to \$420 for two online visits. I have recently found out that these telehealth appointments are advertised at a fixed \$49 - it is unethical and wrong for them to charge me \$420 for two remote online visits when they advertise them for \$49. They are being consistently unreasonable and unhelpful while we scramble to pay what we can.

I wish I could tell you that this was the only time I have had to struggle with medical debt and unfair hospital billing practices. Years prior, I had a choking incident. Recent dental work left my mouth numb and I choked on my dinner. The ambulance ride was over \$1000 and the total charge for my care was \$28,000 - after the insurance paid, I still owed \$4,000. I was on my wife's insurance at the time through King Soopers, but the deductible was \$8,000. How workers earning \$11/hour can pay that is beyond me.

When I approached the hospital for help, their response was insulting. They expected me to sell my house and my deceased dad's old Jeep to pay my medical debt. They were even looking at the money left in my 401k. I only have a small amount remaining which is supposed to last us the rest of our lives. Now I'm 57, living with a disability, and unable to produce enough income to survive.

Unfortunately, I know that I am one of thousands of Coloradans struggling with unfair hospital billing practices. No one should have to worry if a visit to the hospital will bankrupt them, no one should need to spend hours on the phone trying to avoid massive medical debt. I urge you to vote YES on HB 1198 to bring Colorado one step closer to achieving necessary hospital billing reform.