



Addressing Medical Debt

A Playbook for Hospitals and Clinicians

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Introduction

Medical debt remains a significant challenge for patients and families across the United States, with approximately 40 percent of adults carrying health care or dental debt, including bills that are past due, being paid over time to providers, or owed to credit card companies, collection agencies, or family and friends.¹

Beyond the financial consequences, patients with medical debt often delay or skip care, have worse health outcomes, cut back on basic necessities, and lose trust in the health care system.^{2,3,4}

Hospitals are contending with their own financial sustainability amid pressures from the insurance industry, private equity ownership, and the broader health policy environment. At the same time, the policies and practices hospitals use to communicate costs, determine eligibility for financial assistance, collect payment, and connect patients with support affect patients' experience of care, either creating additional barriers or helping reduce the burden of medical debt. Clinicians also play an important role in helping patients navigate the high costs of care. Through conversations about costs and referrals to resources, they can help patients understand their options and connect with available support.

Evidence suggests that these approaches can make a meaningful difference. Hospital financial assistance, for example, has been associated with increased patient access to care, cost savings, and improved health outcomes.^{5,6} Among clinicians, exploring costs of care with patients has been associated with increased patient satisfaction and ability to navigate health care costs.^{7,8} Building on a recent environmental scan of hospital policies and practices related to financial assistance, billing, and collections, this playbook highlights key areas where hospitals and clinicians can support patients in addressing the costs of care.⁹ Drawing on expert interviews and other literature, this playbook presents three plays and four case examples that illustrate promising approaches for addressing patient health care costs.

The three plays focus on opportunities at multiple levels: organizational culture, policies and practices that shape the patient financial experience, and partnerships with organizations outside the hospital. Together, they encourage readers to consider opportunities for preventing medical debt, along with strategies for addressing debt after it has been incurred.

No single organization or intervention can address medical debt on its own. Rather than prescribing a single model, this playbook offers ideas and resources that organizations can adapt to their own circumstances. While the work is complex, meaningful change is possible; the approaches highlighted here reflect a range of ways hospitals, clinicians, and their partners can contribute to that change.

How to Use This Playbook

Each of the three plays provides practical recommendations, ready-to-use tools, questions to consider, highlights from case examples, and external resources for additional information. Detailed case examples can be found in the appendix to help readers translate these approaches into action. The playbook is designed to be flexible: readers can use it in its entirety to inform a broader strategy or turn to individual sections that address priorities within their own settings.

Start Where You Are

There is no single starting point for addressing medical debt. Hospitals and clinicians may be at different stages in assessing their current practices or implementing changes. Begin with the areas that are most relevant to your organization, whether that means examining existing financial assistance processes, improving how patients receive information and support, or strengthening partnerships with organizations that can assist patients.

The plays are organized around different opportunities to act and include recommendations for both hospitals and clinicians. While some actions require organizational-level changes, others can be incorporated into day-to-day clinical practice or build on work that is already underway.

Explore the Plays

Each play focuses on a specific goal or goals which include practical recommendations and tools to help translate ideas into action. You do not need to complete the plays in order. Instead, use the playbook to identify the actions that are most feasible and meaningful for your organization at a given point in time.

As you work through the plays, consider:

- **What are we already doing well?** Identify existing practices, programs, or partnerships that can be strengthened rather than starting from scratch.
- **Where are the gaps?** Consider where patients may encounter unnecessary barriers, confusion, or delays in accessing financial assistance or other support.
- **What is feasible now?** Look for opportunities that can be implemented within existing processes and resources, as well as longer-term changes that may require additional planning or investment.
- **Who needs to be involved?** Some changes will require collaboration across clinical, financial, operational, and other areas of the organization.
- **How will we know whether it is working?** Consider how you can monitor implementation and understand whether changes are improving patients' experiences and reducing the burden of medical debt.

Learn From the Case Examples

The case examples throughout the playbook illustrate how specific organizations and partners have approached medical debt. Examples highlight a range of approaches, organizational contexts, and lessons learned.

These examples are not intended to serve as models that can be exactly replicated. Instead, use them to consider what may be transferable to your own setting and what needs to be adapted first. The examples also illustrate that addressing medical debt can take different forms, from changes within a hospital to partnerships with outside organizations.

Use the Tools to Support Action

The tools included throughout the playbook are intended to make recommendations more actionable. Use them as starting points that can be adapted to your organization's needs, existing workflows, and available resources. Some tools may be useful for assessing current practices, while others can support implementation or help connect patients with additional resources.

Overview of Key Hospital Functions Affecting Patient Financial Experience

Various hospital departments either influence or are impacted by patient medical debt, and efforts to address debt need to consider these different groups and how their actions align with the organizational mission of improving patient health. **Figure 1** depicts the typical hospital roles that connect to the patient’s financial experience, which may vary across health systems. Achieving greater alignment across clinical, financial, and community functions can help streamline hospital processes and reduce patient debt. The Plays describe opportunities for increased alignment across these areas in a way that balances patient care and hospital sustainability.

Figure 1: Overview of Hospital Structure and Roles Interfacing with Patient Financial Experience

