

# 5 Ways Health Systems and Partners Can Reduce Medical Debt

## 1. Patient-Centered Financial Assistance and Support

Systematically identify eligible patients and remove administrative barriers to support access.

- Optimize hospital financial assistance programs to improve both eligibility and access
- Participate in Hospital Presumptive Eligibility programs for providing temporary Medicaid coverage, although recent and pending health policy changes may present a more complex environment for such coverage, along with serious implications for the privacy and security of patient Medicaid data
- Dedicate staff to help patients manage costs of care, apply for insurance and medication assistance, and coordinate with care teams and clinicians
- Offer sliding-scale, zero-interest payment plans; avoid predatory medical credit cards



## 2. Ethical Billing and Responsible Debt Collection

Prioritize mission-aligned and patient-centered approaches so that financial operations reinforce, rather than conflict with, the institution's core purpose of improving patient health.

- Adopt ethical billing practices and avoid aggressive collections, such as credit reporting and legal actions
- Require consistent billing ethics across all hospital-contracted entities (e.g., vendors and physician groups)



## 3. Organizational Leadership, Culture, and Decision-Making

Shift culture by working with a range of champions to achieve change.

- Engage hospital leaders in ensuring financial policies reflect institutional mission, strengthen community trust, and avoid patient harm
- Engage clinicians, the community health or community benefit department, hospital social workers, hospital boards, and patient and community representatives in determining hospital financial policies



## 4. Partnerships with Community-Oriented Organizations

Leverage the expertise of community institutions to meet the needs of patients and hospitals.

- Partner with community organizations to streamline processes and offer support in such areas as financial navigation and debt relief
- Invest in patient-centered financial services that achieve administrative efficiencies without engaging in predatory practices



## 5. Policy, Industry, and Public Engagement

Utilize legislation, along with industry standards, to offer critical protections. Utilize media and public engagement to coalesce broader support.

- Establish mandatory state and/or voluntary industry requirements for financial assistance spending, debt protections, and reporting
- Highlight model financial assistance policies for hospitals to adopt
- Develop a list of vendors vetted at the state or federal level, e.g., for billing services, patient financial navigation
- Hold insurers accountable for plan design, affordable coverage, and pre-enrollment education
- Raise awareness about medical debt and the impacts of aggressive collections through media and narratives to build support for policy and system reforms