

Addressing Medical Debt: What Hospitals Can Do

Medical Debt is a Trust and Access Issue

About 4 in 10 U.S. adults carry health care or dental debt, and 28 percent skipped or postponed care because of cost in the past year.^{1,2} Hospital financial practices can either add to that burden or help reduce it – and shape how patients and communities experience and trust their health system.

Three Ways Hospitals Can Act

- Align financial policies with organizational values/ improving health:
 - Include senior leaders—who are responsible for the hospital’s impact—in the conversation.
 - Bring the right people together - Include financial, revenue cycle, clinical, community benefit, social work, legal, and other perspectives.
 - Assess the financial impact of collection activities and evaluate how much revenue these activities actually generate.
- Support fair and transparent financial processes:
 - Screen patients for financial assistance at intake.
 - Simplify application forms and supporting documentation.^{3,4,5}
 - Provide timely and clear billing notices.⁶
 - Avoid extraordinary collections actions, such as credit reporting or legal action.⁷
- Partner beyond your walls:
 - Build relationships and referral systems with trusted financial navigation organizations.
 - Partner with organizations that specialize in medical debt relief to eliminate qualifying debt for patients.

Ready to Go Further?



Addressing Medical Debt: A Playbook for Hospitals and Clinicians (available here: academyhealth.org/MedDebtPlaybook) offers practical recommendations, tools, and real-world examples to help clinicians and hospitals assist patients with navigating the financial aspects of care.

References

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2. Sparks G, Lopes L, Montero A, Presiado M, and Hamel L. Americans’ Challenges with Health Care Costs. San Francisco (CA): KFF; 2026. Available from: <https://www.kff.org/health-costs/americans-challenges-with-health-care-costs/>
3. Walker J, Rushbanks E, Snodgrass C, and Rivera R. Hospital Toolkit: Practical guidance to help hospitals make financial assistance known, easy, and fair. Vancouver (WA): Dollar For; 2025 Nov.
4. ABIM Foundation. Addressing medical debt: rebuilding trust in health care. Philadelphia (PA): ABIM Foundation; 2024 Jun. Available from: <https://abimfoundation.org/what-we-do/rebuilding-trust-in-health-care/addressing-medical-debt-2>

How One Health System Moved Financial Screening Upstream

Parkland Health, a large public safety-net health system, shifted from a reactive collections model to identifying financial need as early as possible in the patient journey. It simplified its financial assistance application to fewer than two pages, focused primarily on collecting demographic and income information, and made that single form an entry point to several pathways at once, including hospital financial assistance, Medicaid enrollment, and grant-funded programs.

Where Should Your Hospital Start?

- ☐ Is providing financial assistance for patients who are facing financial barriers seen as a key component of your institutional mission?
- ☐ Are you aware of the hospital’s financial policies and practices?
- ☐ Do revenue cycle and community benefit leaders have a standing working relationship?
- ☐ Do you know what share of total revenue your collection activities generate?
- ☐ Do you collect any data on patients’ financial experience of care?

Any “no” or “not sure” marks a place where the playbook can help provide guidance.

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6. The Leapfrog Group. Factsheet: billing ethics. Washington (DC): The Leapfrog Group; 2026 Apr 1. Available from <https://ratings.leapfroggroup.org/sites/default/files/2025-03/2025%20ASC%20Billing%20Ethics%20Fact%20Sheet.pdf>
7. ABIM Foundation. Addressing medical debt: rebuilding trust in health care. Philadelphia (PA): ABIM Foundation; 2024 Jun. Available from: <https://abimfoundation.org/what-we-do/rebuilding-trust-in-health-care/addressing-medical-debt-2>