



2022 AG REQUEST LEGISLATION

INCREASING ACCESS TO AFFORDABLE HEALTH CARE FOR LOW-INCOME WASHINGTONIANS BY EXPANDING CHARITY CARE ELIGIBILITY

What needs to change?

Too many low-income Washingtonians are one hospital bill away from financial ruin.

More than half of collection items nationwide are for medical debts.¹ In addition, communities of color are disproportionately underinsured and especially vulnerable to catastrophic and unexpected medical expenses.²

Charity care laws require hospitals to forgive some or all of the out-of-pocket costs for essential health care to low-income patients. But Washington's charity care law only covers those who make up to 200 percent of the federal poverty level — an individual who makes about \$27,000 per year, or \$36,620 for a two-person household. Full forgiveness is only available to those at or below the federal poverty level — about \$13,500 per year for an individual, or \$27,750 for a family of four. A single parent working two minimum wage jobs to make ends meet is not eligible for charity care under current law.³

What is the solution?

We can strengthen Washington's social safety net for low-income residents by expanding access to Charity Care. Several Washington hospital systems have already voluntarily increased Charity Care access for those who make up to 400 percent of the federal poverty level. The Legislature can standardize the benchmarks for eligibility statewide and increase access to affordable health care for more than 1 million Washingtonians, and increase financial assistance for another million Washingtonians whom are currently eligible.

KEY
STATS

2/3 About two-thirds of individuals who file for bankruptcy cite medical issues as a key contributor.⁴

1/5 The median bank account balance for Black households is about \$1,500, less than one-fifth the median balance for white households of \$8,200. Latino households have an average account balance of \$2,000.⁵

What are other jurisdictions doing?

Oregon passed a similar Charity Care expansion in 2019, with full write-offs for those up to 200 percent of the federal poverty level, and discounts up to 400 percent.

What does this legislation do?

This bill increases the threshold for full write-off of out-of-pocket medical costs to up to 300 percent of the federal poverty level for the majority of Washington hospital beds. In addition, it adds discounts for those up to 400 percent.

Affordable Hospital Care

Federal Poverty Level	2 Person HH Income	Current Law	HB 1616 Sub: Category 1 Hospitals (80% of all beds)	HB 1616 Striker: Category 2 Hospitals (20% of all beds)
0-100%	Up to \$18,310	No out-of-pocket costs	No out-of-pocket costs	No out-of-pocket costs
101-200%	\$18,311-\$36,620	Sliding scale discounts*	No out-of-pocket costs	No out-of-pocket costs
201-250%	\$36,621-\$45,775	Not eligible	No out-of-pocket costs	75% Discount*
251-300%	\$45,776-\$54,930	Not eligible	No out-of-pocket costs	50% Discount*
301-350%	\$54,931-\$64,085	Not eligible	75% Discount*	No Mandatory Discount
351-400%	\$64,086 - \$73,240	Not eligible	50% Discount*	No Mandatory Discount

* Hospitals may factor patient's assets

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1: Consumer Financial Protection Bureau, "Consumer Experiences with Debt Collection: Findings from the CFPB's Survey of Consumer Views on Debt," January, 2017, https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201701_cfpb_Debt-Collection-Survey-Report.pdf

2: Kaiser Family Foundation, "Health Coverage by Race and Ethnicity 2010-2019," July, 2021, <https://www.kff.org/racial-equity-and-health-policy/issue-brief/health-coverage-by-race-and-ethnicity/>

3: 52 weeks x \$14.49 (Jan. 1, 2022) x 50 hours per week = \$37,674; 200% of FPL = \$36,620

4: CNBC, "This is the real reason most Americans file for bankruptcy," February, 2019, <https://www.cnbc.com/2019/02/11/this-is-the-real-reason-most-americans-file-for-bankruptcy.html>

5: AdvisorSmith, "Average U.S. Savings Account Balance," June, 2021, <https://advisorsmith.com/data/average-savings-account-balance/>