



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 House Health & Insurance Committee

Andrea Kuwik, Policy Analyst • April 21, 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.

April, 17, 2021

To the members of this committee, Greetings! Ms Sara Lipowitz asked me if I would share my experiences with the situation that occurred with Swedish Medical and the few Dr's that did the procedures of a appendectomy on March-31-April-1- 2020. My name is Rudy Saiz, I'm currently 62 years of age fairly good health, however had an issue with my appendix that needed to be addressed, I had insurance that I purchased in December 2019, as directed by my spouse that I needed to be insured, so I purchased a policy from a company called AXIS, this was an emergency surgery as stated by the Dr, informing me that I would be in real bad shape if this were to burst, so I agreed to the surgery since I was paid up in my insurance fees, only to learn after a few weeks that I wasn't covered for this procedure within my policy, due to the COVID situation I ended up losing my job and was unable to immediately make any kind of payments, I filed for unemployment and was granted Medicaid, and shortly thereafter found other employment , I fell behind in bills and was playing catch up when I was sent to collections agencies, I made arrangements to pay a portion of the anesthesia bill, and was making payments on this bill when I was bombarded with bills from others Dr's and was overwhelmed with why I had so many different bills coming at me from Swedish medical, I went to Medicaid to ask for retro payments, but was denied because they said prior to my surgery I made too much money, all the money I earned went to bills and didn't have any money in savings, so when I seen Towards Justice, I contacted them to see if there was any way I could get some help, I was informed that this was a bad faith issue with regards to my insurance company, yet Swedish Medical didn't hesitate to send my information to collection agencies causing my credit score of 740 to be dropped back down to the 600 level, so due to the practices that Swedish Medical and there Dr's pursue, I don't understand why they are allowed to do these practices to people, Ive tried to contact Swedish Medical so I could get all the bills consolidated into one lump sum, but get no where since they tell me now that its in the collection agency's hands there is nothing I can do, even though I am doing my best to make regular payments every month, the interest that keeps getting added onto me its getting impossible for me to see any type of conclusion to remedy this matter, at this rate I fear I will have no recourse but to file for medical bankruptcy, although I wish I could find an alternative solution, perhaps this committee can offer me or show me alternative solutions, or do something so that these outrageous practices will cease to continue and help others who are experiencing the same dilemmas. Thank you for your time to listen to my plea, if anyone should have the need to contact me Ms Sara Lipowitz has my contact information.

Again Thank this committee, and have a great day.



SUPPORT HB21-1198: HOSPITAL AND EMERGENCY ROOM BILLING REFORM

Hello and thank you for reading this testimony.

My name is Christy Blakely, I am the Executive Director of Family Voices Colorado. Family Voices CO, advocates for and with families of children and youth with special health care needs. I am testifying in support of HB 21-1198.

Family Voices CO receives many calls regarding healthcare billing. The complexity of medical billing causes more stress to these families. We work with families both with Medicaid and without Medicaid, regardless, there is confusion on what is to be paid. Families are crippled by healthcare costs. They are overwhelmed paperwork and fear of being sent to debt collector. Assisting families to access a sliding fee will help. Another change will be the information assisting families to identify options for healthcare assistance. Finally, talking steps to identify solutions rather than being sent immediately to collections will reduce the added worry.

Family Voices CO (FVCO), believes the changes this bill will bring is a step in the right direction. Requiring the screening for public assistance will assist our families and seniors that are unaware of solutions. FVCO speaks with families of children with special health care needs, daily, explaining programs and the options they may have, in order to provide healthcare for their child. Not all children qualify for special programs, called Home and Community Based Waivers under Medicaid. I worry for the families, that don't qualify, as copays and deductibles can bankrupt families today. I know, as I am one of those families, with a significantly disabled adult daughter. Without a Medicaid Waiver, our family would not have survived!

Families that are today, spending so much of their income on healthcare, cannot also save for retirement or in other ways gain security. This is truly a health inequity, when families worry how to keep their family safe while juggling bills and managing a sick or disabled child. Thank you for the changes this bill brings.

Christy Blakely 303-726-2065 Littleton, CO 80123



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 & Insurance 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

TOWARDS JUSTICE

DEFENDING THE DIGNITY OF WORK

Office Address

2840 Fairfax Street
Suite 220
Denver, CO 80207

Mailing Address

PO Box 371680
PMB 44465
Denver, CO 80237-5680

Contact Us

(720) 441-2236
info@towardsjustice.org
www.towardsjustice.org

April 21, 2021

**Colorado House of Representatives
Health & Insurance Committee**

Via Email

RE: Written Testimony in Support of HB21-1198

Dear Committee Members,

I am the Executive Director of Towards Justice, a Denver-based legal organization that uses impact litigation, policy advocacy, and collaboration with movement building efforts to advance economic justice and build worker power. I submit this testimony in support of HB21-1198.

One of the most common issues we hear about affecting workers and consumers in Colorado is medical debt collection. This was true even before we started taking on representation of patients who were being sued on unpaid medical debt. It has felt at times like every low- or moderate-income Coloradan is or has a family member who is buried under medical debt.

In fact, thousands and thousands of Coloradans—disproportionally low-income Coloradans and Coloradans of color—are *sued* every year by the State's medical providers, either directly or through debt collectors and debt buyers. Those providers include some of the most prominent, non-profit hospitals in Colorado. These lawsuits are traumatizing, and they can lead to extraordinary financial harm, including wage garnishments, liens, and bankruptcies. People who are not sued often pay off their medical debt, even when they cannot afford to, only after being threatened by debt collection companies they had never heard of before. Medical debt collection can also cause crippling harm to the credit histories of people most in need of decent credit to attain financial stability.

In the conversations that I've had with those struggling with medical debt, it has surprised me how often their income should have qualified them for low-cost care, or their bill should have been covered by a third-party payor, whether private insurance or Medicare or Medicaid. In some cases, consumers can navigate these issues by making sure their insurance is properly billed or affirmatively seeking out a payment plan that they think they should qualify for. But many consumers don't have the time to navigate these systems, and many don't even realize it's an option or feel uncomfortable inquiring about their rights when they are being threatened by debt collectors.

This bill makes important commonsense reforms to our laws that clarify providers' responsibility to minimize the financial burden of medical bills by providing easy access to indigent care programs and ensuring that third-party payors are picking up the bill when they should. There is a broader conversation that we all need to be having not only about the costs of healthcare, but also about the extraordinary toll of medical debt collection on Coloradans, and this legislation won't solve everything, but it is a critical and important step.

With respect and admiration,

A handwritten signature in black ink, appearing to read 'DS', is positioned above the typed name.

David H. Seligman, Esq.
Executive Director

ASSOCIATED COLLECTION AGENCIES OF COLORADO/WYOMING/NEW MEXICO, INC.

11160 W. Tennessee Ct., Lakewood, CO 80226

Re: HB21-1198

Dear Representatives of House Health & Insurance Committee;

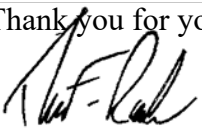
My name is Tom Romola, the longtime Legislative Chairman for Associated Collection Agencies of Colorado/Wyoming/New Mexico, Inc. ACA has over sixty (60) members in the State of Colorado, plus hundreds of agencies licensed in Colorado that are members of our national trade association, American Collectors International. We represent tens of thousands of Colorado businesses in the recovery of their delinquent accounts.

We are pleased to let you know that we are neutral on HB21-1198 with the addition of the proposed amendments.

We would like to thank Representative Jodeh for her role in organizing and participating in most of these discussions. We also want to thank the proponents of the bill for their same willingness to negotiate and end up with a bill that is workable for all. In my 35 plus years in my position I have learned and witnessed, multiple times, that most good legislation requires discussions, negotiations and compromises from all stakeholders impacted and that's exactly what happened with this bill.

Once again, thanks to the sponsors and all participants.

Thank you for your time.



Tom Romola
Legislative Chairman
Associated Collection Agencies

House Health & Insurance

HB21-1198 Hlth-care Billing Reqmnts For Indigent Patients

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Virginia Gebhart For Self	<p>Please vote yes to pass this bill. It's disturbing that it is necessary to pass this bill to stop wealthy hospitals from profiteering on the backs of sick people. It's unfortunate that hospital administrators feel entitled to hound poor people over hospital bills. This occurs only in America.</p> <p>This bill is a mere band-aide to address a problem which affects all Coloradans, not just poor people, but at least it is an attempt to help the most vulnerable among us.</p> <p>In my lifetime I have experienced a number of health care emergencies within in my immediate family. They have been among the most terrifying, even traumatic, moments of my life. I cannot imagine having the additional worry that the emergency and follow up care could lead to massive, unbearable medical debt.</p> <p>Please vote yes to pass this bill. Please stop wealthy hospitals from gouging poor people.</p>
Jacy Montoya Price For Colorado Children's Campaign & Raise Colorado	<p>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</p> <p>House Health and Insurance Committee</p> <p>April 21, 2021</p> <p>1:30PM</p> <p>Virtual Testimony</p> <ul style="list-style-type: none">• Thank you, Chair Lontine 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

	<p>the health and wellbeing of pregnant people, infants, toddlers, and their families.</p> <ul style="list-style-type: none">• I am here in strong support of this bill and with appreciation to Representative Jodeh 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. ,• 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.
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