A Report of Texas Hospitals Suing Patients

ERODING THE PUBLIC TRUST

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A NATIONAL CRISIS

Over 79 Million Americans Have Problems with Medical Bills or Medical Debt.[1]

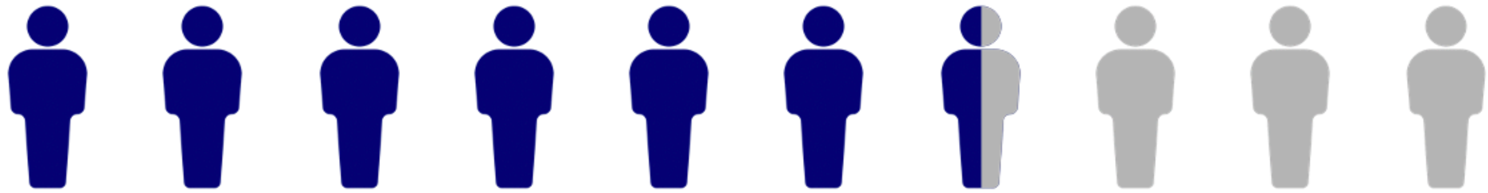
64% of Americans Avoid or Delay Medical Care due to Fear of Medical Debt.[2]

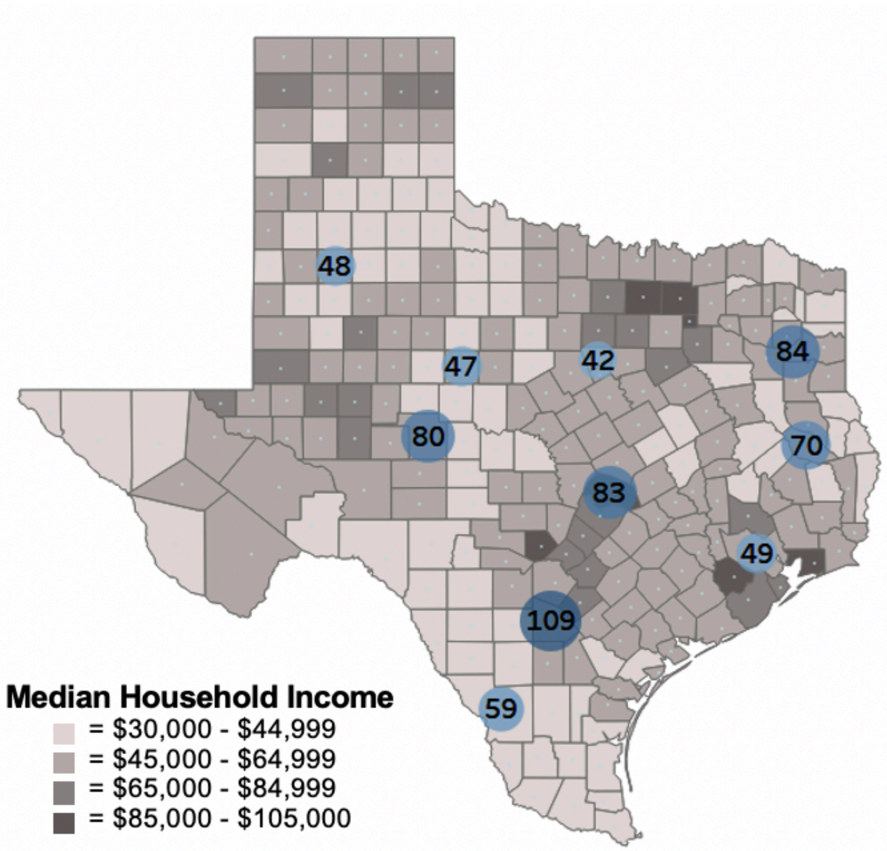
Executive Summary

- Texas hospitals continue to sue patients as 1.3 million Texans filed for unemployment during the COVID19 Pandemic.
- 7% (28/414) of Texas hospitals sued patients for unpaid medical bills in a study of 62 Texas counties between January 2018 and February 2020.
- As the federal government bails out hospitals during COVID-19 pandemic, funding should be conditional on strong billing quality.
- 5 Texas hospitals garnished the bank accounts and personal property of patients.
- 83% of lawsuits were filed by the DeLoney Law Group on behalf of Texas hospitals studied.
- Many patients report calling their hospital and the DeLoney Law Group for months asking for an itemized bill and were not provided one in a timely manner.
- Texas hospitals sued patients for an average of 0.15% of their total revenue ($17.8 million).
- Suing patients who cannot afford to pay inflated medical bills violates U.S. Internal Revenue Service criteria for the tax-exempt status many hospitals have.
- Among those who **were sued and** had insurance, BlueCross BlueShield of Texas was the most common insurance carrier.
- Texas has the most expensive hospital markup of over 6.4 times the Medicare allowable amount. Many patients were not aware of these inflated prices.
- Most patients being sued for medical debt live paycheck-to-paycheck.
- In 9/10 counties where hospitals sued patients, the median household income was below the national average.
- In 8/10 counties, more than 15% of the population lives below the poverty line.

A REPORT OF TEXAS HOSPITALS SUING PATIENTS: "Eroding the Public Trust"

64% of Americans avoid/delay healthcare due to cost





In **9/10 counties** where hospitals sued patients, the **median household income was below the national average**

In **8/10 counties**, more than **15%** of the population **lives below the poverty line**

7%

of **Texas hospitals sampled** sued patients (28 out of 414)

5

of **hospitals garnished** bank accounts and patient property

83%

of Texas lawsuits filed by **DeLoney Law Group**

~$972M

Average revenue of the 15 Texas hospitals that sued patients

0.15%

Average amount sued as a **% of total hospital revenue**

INTRODUCTION

The United States already spends nearly four trillion dollars on health care each year[3], far more capita than any other developed country in the world. Healthcare spending is projected to reach six trillion dollars per year by 2027. Despite enormous total health expenditures, medical debt is an increasing problem, and the COVID-19 pandemic has further magnified this problem, as unemployment claims have skyrocketed, and many Americans now worry about how they will pay for basic necessities.

One in four Americans have chosen to delay or forgo treatment[4] for their health issues due to fear of high costs. Furthermore, nearly half of Americans worry that a major health issue could send them into financial catastrophe[5]. One in five has delayed purchasing medications due to high costs. These issues both pose long-term health risks and illustrate an erosion of trust in the medical system.

More than one in four Americans have trouble paying for recent medical bills.[6] Typically, hospitals costs, often due to unexpected events, are reported as the most substantial contributors[7] to medical bills. In addition to these costs, With tremendous waste in the system, the unit cost of health care is grossly inflated in the U.S. The average daily costs of a hospital stay in the United States are $5,220, compared to just $765 in Australia[8], $424 in Spain[9], and $316 in Japan[10]. The growing burden of medical debt leads up to 70% of Americans to forgo basic necessities to pay off debt. In addition to the growing costs of medical care, hospitals across the country have adopted[11] aggressive billing practices affecting families of hardworking Americans unable to pay for medical care.

"More than one in four Americans have trouble paying for recent medical bills.[6]

OVERVIEW

Texas Hospitals Suing Patients

Most American hospitals continue to be pillars of charity and have rigorous quality standards. However, some hospitals have moved from serving the disenfranchised to serving them court orders. The predatory billing practice of suing patients not only violates the public's trust, but also violates IRS criteria for many hospitals' tax-exempt status.

Most U.S. hospitals receive millions of dollars in government support to allow them to reduce or write off unpaid patient bills as charity care. Despite this funding, however, some hospitals have gone to great lengths to collect on medical debt. Additional predatory collection tactics include hospital lawyers filing a writ of execution in the clerk's office after the judgment is made in the hospital's favor. This writ of execution allows them to garnish or seize assets, wages, and savings to collect the debt using police force.

This Texas-wide report of predatory medical billing practices presents the findings from lawsuits and garnishments for patient medical debt between 2018 and 2020. While Texas has laws against wage garnishment for medical debt collection, debtors have levied bank accounts and placed liens on real estate to circumvent these regulations.

During this two-year period, over 1,000 lawsuits were filed by 28 hospitals in 62 counties. In total, hospitals sued for over $17.8 million in medical debts, accounting for nearly 90% of all medical debt collection discovered in this study.

While these lawsuits accounted for a negligible portion of the hospital revenue (0.15% on average), they had catastrophic consequences for hard-working families who represent the low to lower-middle working class in Texas. This study presents an analysis of Texas hospitals, lawsuits, lawyers, and patient demographics involved in Texas medical predatory billing from 2018-2020.

***LEGAL 101:**

Writ of Execution[12]*:* A court order allowing law enforcement officers to come to a defendant's home and collect their non-exempt property; those items are then sold to satisfy the debt judgment.

Predatory Billing Report Texas 2018-2020

In interviewing Texas hospital board leaders and CEOs, some were not aware they were suing patients. Even if they were aware, they assumed they were suing those with the means to pay their bill or that they needed to sue to "keep the hospital lights on." However, after extensive review, over half the patients being sued represented low to low-middle income class families. Furthermore, the lawsuit amounts were negligible in comparison to the hospitals' overall revenues.

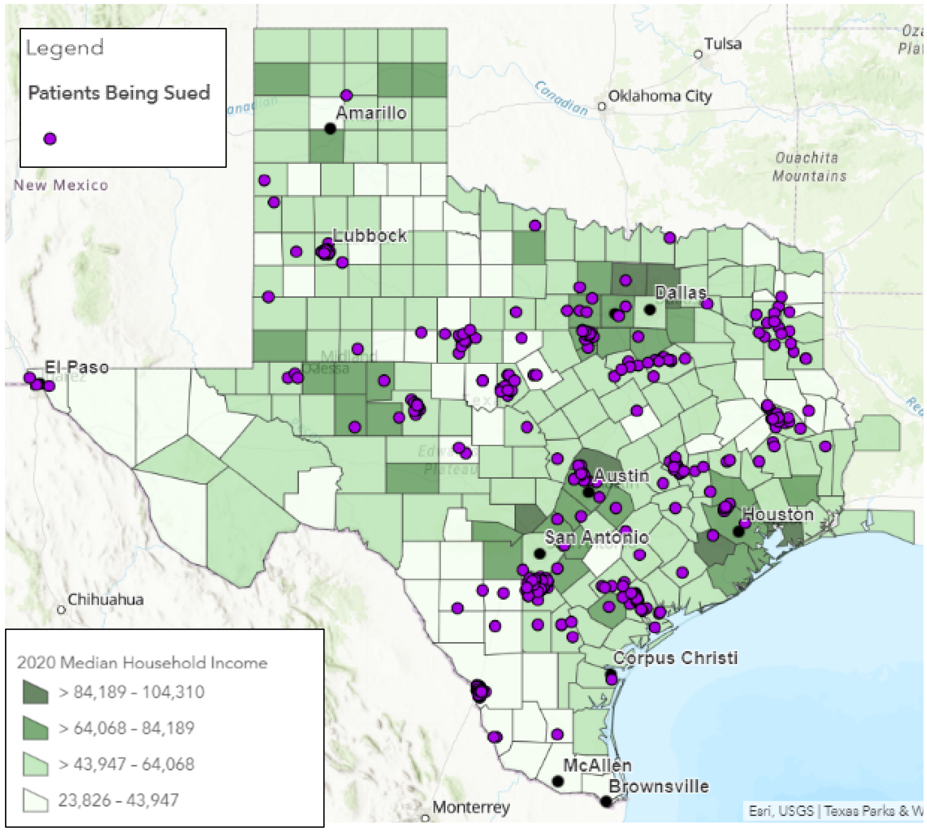


Figure 1: Patients Sued by Texas Hospitals (Sample Size)

Texas Citizen Sued

"Sued for 7x his annual salary"

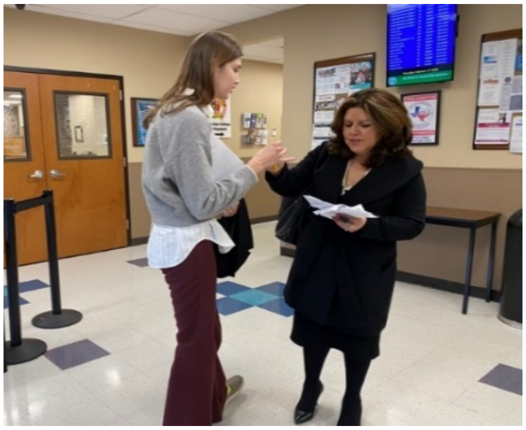
José Bravo, a 53-year old man with a $28,000 yearly salary, suffered an unforeseen medical emergency that led to surgery and a five-day hospital stay. Months later, police knocked on his mobile home door, serving him with a lawsuit. The hospital had sued him for $200,000 in unpaid medical bills, legal fees, and 5% interest. Given this amount was 7x his annual salary, he could neither pay the debt nor afford a lawyer to defend him.

José's court date arrived; he was among 17 other patients sued by the same hospital for medical debt to appear in court. Case after case, the hospital lawyer proved that medical services were rendered, and argued therefore patients were liable to pay the bill and legal fees in full. Without legal or financial counsel, José was issued a final judgment of $200,000.

Thirty days following the judgment, the hospital lawyer filed a writ of execution, allowing the hospital to seize his assets and bank savings to satisfy the judgment. Within three months, José was forced to file for bankruptcy.

Most of the patients sued in Texas are like José, with 9 out of 10 living in counties with the median household income well below the national average and 15% living below the poverty line **(Figure 1, Appendix C)**.

Patients



While patient demographic data was limited, some trends were clear. The most common occupations were transportation services, warehouse work, or self-employment. However, even those with jobs did not always have insurance. As of 2017, [89%](#) of the uninsured in Texas[13] had a family member working either full-time or part-time, making Texas one of the largest working-uninsured populations in the country.

According to the Census Bureau in [2017](#)[14], Texas had an overall 17.7% uninsured rate, nearly double the national average. Of those uninsured, 13% were Caucasian, 18% African American, and 20% Hispanic. According to the [Small Business Administration](#)[15], more than 45% of all employees in the state of Texas work for small businesses. 62% of small business owners [reported](#)[16] that the annual rise in premiums make providing health insurance for their employees unaffordable.

While only 125 out of 1,000 lawsuits denoting the patient's insurance status, "Self-Pay" was the most common insurance status listed, at 50% of patients being sued, as most did not have health insurance at the time of service. Amongst the insured, Blue Cross Blue Shield of Texas was the most common insurance carrier. When reviewing patient

court filings, the most notable issues were denials of pre-approved care, failure on behalf of the hospitals submitting claims to secondary insurance, and lack of insurance coverage due to high deductibles.

To support patients, the research team reviewed upcoming court dockets in county courts to conduct pre-trial interviews. Speaking with patients, uncertainty and fear about the upcoming trial were common themes. When served their lawsuit, patients stated that the court provided no evidence or itemized bills, and because many patients were unable to obtain legal representation, not much else was understood. During interviews, patients also reported common grievances regarding poor communication with both the hospital and hospital lawyers. Prior to trial, most patients frequently attempted in vain to obtain an itemized bill, explanation of charges, or counsel of financial obligations and options. The ambiguous legal process, unfamiliarity with consumer rights, and fear of potential long-term financial consequences further complicate the situation. Without necessary support and knowledge, while managing their own health challenges and families, these lawsuits against patients have created undue and unnecessary burdens in their lives.

Hospital Billing Practices

Among U.S. healthcare institutions, there are no standardized metrics of billing quality, and billing practices vary widely by institution. Additionally, hospitals inconsistently provide information on charity care and payment plans. For example, some hospitals have dedicated staff to provide such information and guidance. Conversely, most hospitals do not offer these services, and seeking charity care is left for patients to navigate. Nearly half of nonprofit hospitals send medical bills to patients without payment plans or options[17], even when the patients' incomes were low enough to qualify for uncompensated or charity care.

A 2020 JAMA article proposed a list[18] of six metrics to define fair billing practices surrounding service quality, transparency, surprise billing and predatory billing practices. In this list of metrics, two highlight service quality: timely access to a copy of a bill, and the ability to speak with a live hospital financial representative about billing concerns and payment options. The last three metrics address hospital billing ethics, including unclear pricing schemes, surprise billing, and suing patients for unpaid medical bills. These practices violate the historic mission of hospitals to be a safe refuge and care for all for individuals with illness or injuries, regardless of their ability to pay.

In speaking to Texans about the billing quality in their hospitals, patients recounted both poor billing service quality and ethics. Most claimed they either did not receive an itemized bill despite multiple requests or they claimed to have received a bill that did not accurately reflect their medical care received at the hospital. Many also reported an inability to access a real-time billing representative, being placed in long phone trees, no existing accountability or continuity assigned to their case, and a lack of returned calls. Most patients reported they were not given any pricing information and did not sign an agreement to pay a specified price prior to services being rendered. Patients were being sued for hospital bills, yet after the hospitals won lawsuits in court, some were also found to file garnishments, allowing them to seize patients' assets, place liens on their property, and drain their bank accounts in order to satisfy the judgment amount.

Incorporating these metrics of billing quality would both prevent manipulative practices and help to restore patients' trust in the medical system. Most importantly, it could help put patients at the forefront of their care, empowering them to hold hospitals accountable for clarity in services rendered.

"Most claimed they either did not receive an itemized bill despite multiple requests, or they claimed to have received a bill that did not accurately reflect their medical care received at the hospital."

Medical Debt Lawsuits

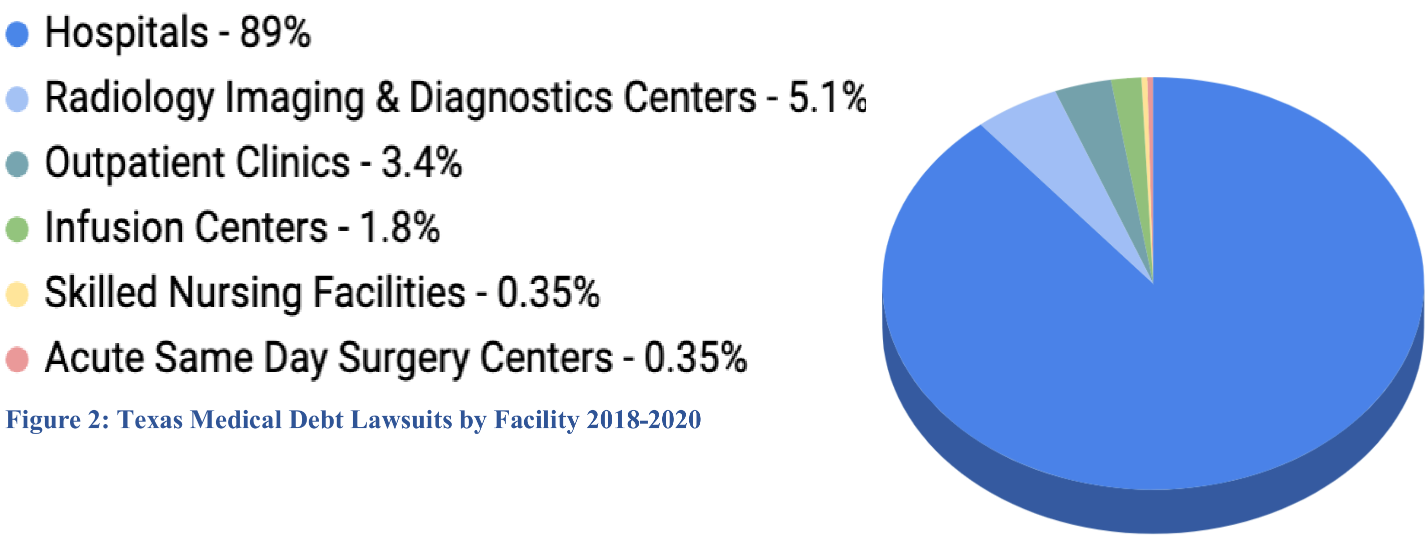


Figure 2: Texas Medical Debt Lawsuits by Facility 2018-2020

According to the Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group[19], the U.S. spent $3.6 trillion in health care in 2018. Hospital care accounts for the largest amount of the spending at 33% or $1.2 trillion. Insured and uninsured alike, the medical bills incurred as a result of hospitalization remained unaffordable and plagued with inflated out-of-pocket costs. Therefore, it was no surprise that hospitalization accounted for almost 90% of medical debt lawsuits in this review of Texas court cases. Breaking down the total number of medical debt lawsuits, as shown in Figure 2, hospital medical debt accounted for 89% (1,003 cases), whereas radiology imaging & diagnostics centers followed with 5.1% (58 cases). Outpatient clinics (3.4%, 38 cases), infusion centers (1.8%, 20 cases), skilled nursing facilities (<1%, 4 cases), and acute same day surgery centers (<1%, 4 cases) made up the remainder of the lawsuits filed against patients. A single privately-owned infusion center (Paragon) accounted for $375,935 in medical debt lawsuits.

Texas Hospital Lawsuits

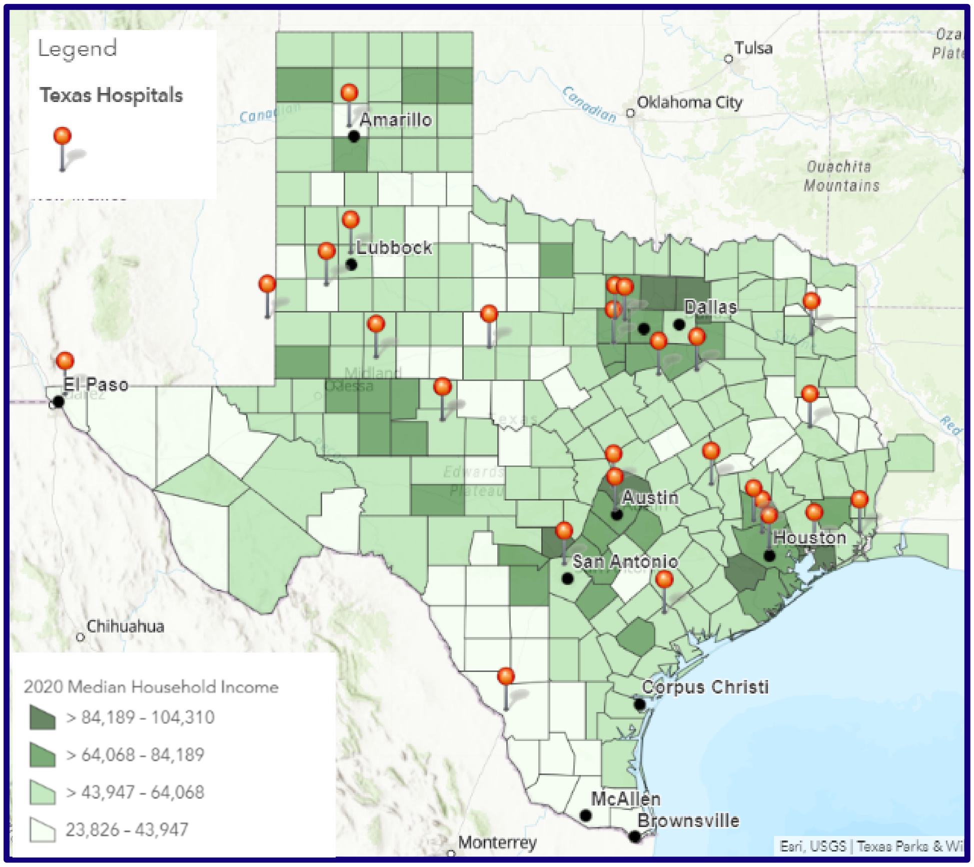


Figure 3: Hospitals Suing Patients 2018-2020

In this comprehensive search of the unified Texas online court system, a total of 28 hospitals sued patients between 2018 and 2020. Of the 28 hospitals suing patients *in* Texas, 22 were Texas hospitals (Figure 3) and 6 were hospitals suing from other states. 27% of the Texas hospitals suing patients were nonprofit organizations while the remaining 73% were proprietary or for-profit hospitals. Hospitals sought payments of over $17.8 million across 1,003 cases. Five of these hospitals also garnished the bank accounts and personal property of patients.

Notably, just under 50% of the medical debt filings included default judgments in favor of the hospital because the patient was unable to appear in court. The reports demonstrated over $1.2 million garnished from these patients with some patients being appropriated upwards of 400% of their annual income. The average medical debt lawsuits ranged from $4,000 to $40,000, with some lawsuits accounting for up to of 90% of annual median household incomes in the county of residence **(Appendix C).**

Hospitals by Number of Lawsuits

The 22 hospitals in Texas who sued patients varied greatly in characteristics and quality scoring; however, the top five hospitals with the most lawsuits (Figure 4) were all small, for-profit community hospitals. Four out of five of these hospitals generated between $265 million and $2.1 billion per year of total revenue in 2019 and were responsible for almost 50% of the lawsuits found in Texas.

In evaluating the top five hospitals filing lawsuits, all were affiliated with Community Health Systems Inc. (CHS). CHS is a Fortune 500 company based out of Franklin, Tennessee and is the largest provider of general hospital healthcare services in the US with 102 acute care hospitals in 18 states. Unfortunately, CHS has had a fraudulent past. In 2011, the CEO of CHS's Laredo Hospital (later CEO of Cedar Park Regional Medical Center) was sentenced[20] to five years in prison for tax evasion, bribery, and Medicare fraud.

Furthermore, in 2017, the Nonprofit Empire Health Foundation in Washington state sued CHS[21] for failing to provide the $110 million in uncompensated and discounted care it reported to IRS between 2008 and 2015. The history of unethical billing in these small hospitals may be the foundation of their continued predatory billing tactics. Current data (March 2020) shows that these same CHS hospitals continue to sue their patients even amid growing strains on the healthcare system and personal finances due to the COVID-19 pandemic.

As this pandemic has swept the nation, CHS has continued its practice of suing indigent patients. While healthcare workers are risking their safety and lives to battle the virus, CHS attorneys are also working hard, suing over 80 patients in a two days period. Because of the national emergency, the Texas Supreme Court suspended the statute of limitations as well as the service of court citations. With the rising number of unemployment claims (313,832 Texans filing for unemployment since the wake of the pandemic[22]), patients are being sued for large sums with added attorney fees, and have not been made aware of the allegations against them.

With the new federal stimulus package, CHS is poised to receive a lump sum from the government allocation of $100 billion[23] for hospitals nationwide. Although the hospital system will be given this relief, they still show no signs of stopping their invidious practices.

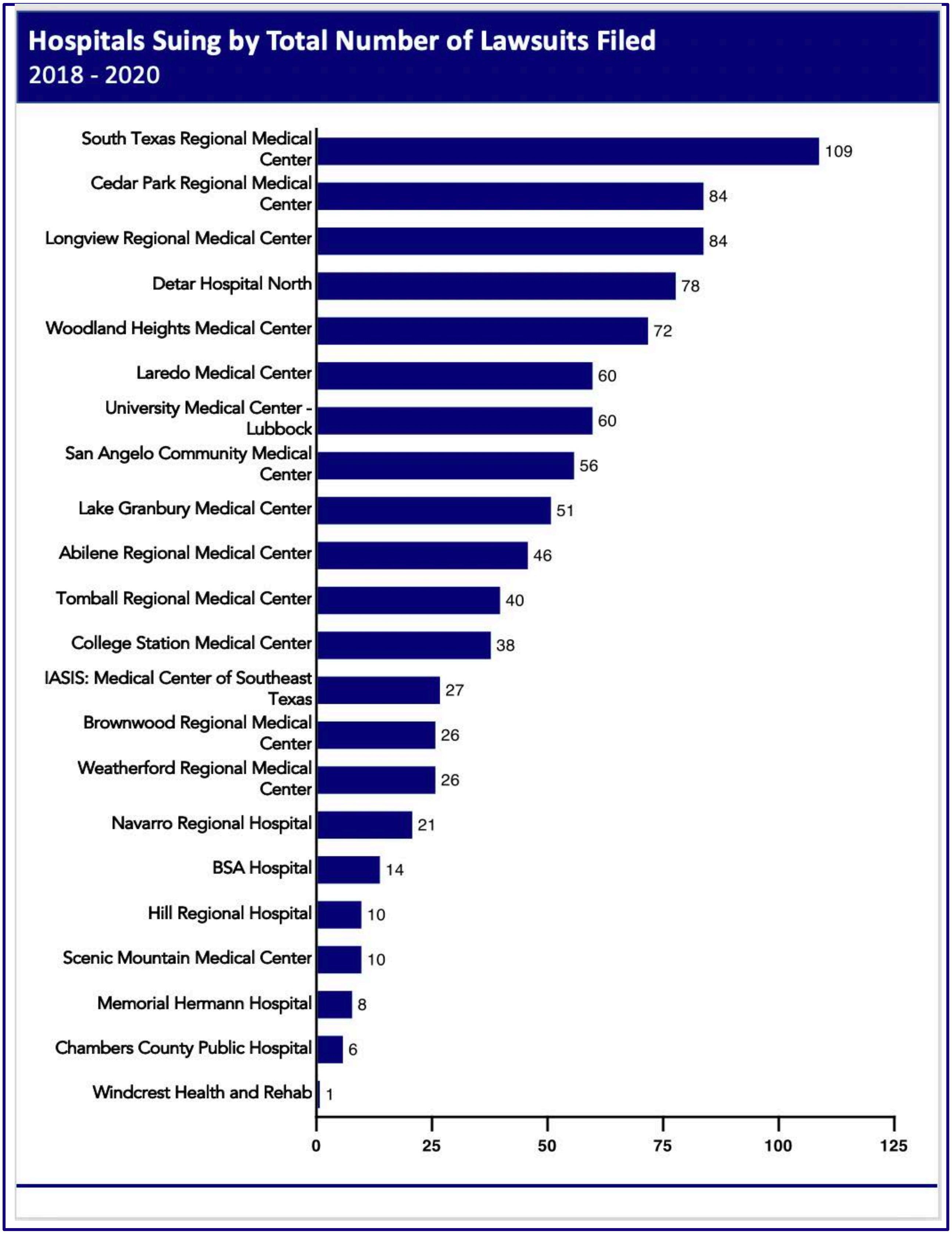


Figure 4: Hospitals Suing by Total Number of Lawsuit Listed in Descending Order

Top 3 Hospitals by Number of Lawsuits

South Texas Regional Medical Center (STRMC), filed the most lawsuits against patients in this study. STRMC is a small, for-profit, faith-based, 67-bed hospital that generated over $257 million per year[24] in direct patient revenue in 2017. These predatory billing practices directly conflict with their motto[25]: "Quality Care Right Here." It clearly does not serve their fellow citizen when patients have felt persecuted and threatened. Looking at Google patient reviews of STRMC's billing practices, patients have felt the hospital is only interested in taking patient's money "by charging inflated prices for services and later suing them for the owed medical bills." Despite these billing practices, STRMC received a 2017 Leapfrog Quality Score of an A and a Total Performance Score (TPS) of 34.3 **(Table 1),** well below the national median of 37 according to the American Hospital Directory[26].

Cedar Park Regional Medical Center filed the second highest number of lawsuits in this study. This 108-bed hospital generated over $728 million in direct patient revenue annually in 2018. "We believe in the power of people to create great care" is their motto[27], and they employ over 600 hospital staff. Formal ratings in the Leapfrog score show that they do not provide "great" quality care, but they rank about average with a quality score of a C and just below average TPS score of 36.3 **(Table 1)**.

Longview Regional Medical Center (LRMC) is a 224-bed facility that filed the third highest number of lawsuits found in this study As an organization, it generated the highest revenue of all hospitals studied herein (about $2.1 billion per year) yet had the lowest Leapfrog score rating (D) and a well below average TPS Quality score of 27.6 **(Table 1)**. Based on their motto[28] to "work hard every day to be a place of healing, caring and connection for patients and their families in a community we call home," they will fall short of their ideal as long as they continue to sue patients.

	South Texas Regional Medical Center *	Cedar Park Regional Medical Center	Longview Regional Medical Center
Type	For-Profit	For-Profit	For-Profit
# of Beds	67	108	224
Total Patient Revenue	$257 million	$728 million	$2 billion
Leapfrog Hospital Safety Grade**	A	C	D
TPS***	34.3	36.3	27.6

Table 1: Characteristics of Top 3 Suing Hospitals by Number of Lawsuits

*In July 2017, South Texas Regional Medical Center was acquired in a joint venture by HCA Healthcare from Community Health Systems (CHS). The performance data.

The Leapfrog Group[29] uses national performance measures from the Center for Medicare and Medicaid Services (CMS), its own surveys, and other databases to create an informational scoring algorithm to grade patient safety and care quality.

*****Total Performance Score**[30]: Medicare metric that evaluates hospitals in 4 areas: Clinical Outcomes, Person and Community Engagement, Safety, and Efficiency. Average score across the US is 37 out of possible 100.

Top Suing Hospital Lawyers

Among the hospitals filing lawsuits for medical debt, most cases were filed by one of two Texas-based law groups:

- Christopher & William DeLoney of the **DeLoney Law Group PLLC**
- William Franklin of **Boerner, Dennis & Franklin, PLLC**

Interestingly, these firms filed the most medical debt cases in Texas courts as well as the most predatory billing practice in their law firms. Detailed below, these two firms have propagated unethical systemic injustice.

The DeLoney Law Group PLLC, a Dallas-based firm, practicing primarily medical and consumer debt collection, is the firm most frequently hired by hospitals to sue patients. In 2018-2020 alone, they were responsible for 83% of medical debt collection lawsuits, totaling $15 million. Christopher DeLoney primarily represents the hospitals in court to sue the patients, while his brother William DeLoney sues the estates of deceased patients to collect debt for the hospitals.

The motto[31] of the DeLoney firm is "*Aggressive and Straightforward.*" Their reputation affirms the first half of this motto and fails the second. Based on online reviews over the last three years, the DeLoney Law Group received a substandard consumer rating of one out of five stars on Yelp[32]. This sentiment was further cemented by interviews with the patients sued by this firm. All defendants cited the firm's poor billing practices and communication. Patients stated the firm was incorrectly seeking debts for medical visits they never had, and those with true medical debt were provided with unclear and last-minute notifications of hearings leading to missed court appearances. The firm also failed to return phone calls or messages left by patients seeking clarification of charges. Patients struggled enough to comprehend the legal proceedings while being stonewalled by unprofessional law practices.

This firm has a particularly predatory litigation strategy for small claims courts using default judgments to secure debt, with almost 50% of patients having a default judgment filed in Texas courts. The default is denied because, under law, a judgment cannot be ordered unless the person is first given a chance to appear; however, when patients fail to show up at the pre-trial, these default judgments can be delivered against them. These practices restrict patients' abilities to defend themselves, representing the worst of predatory medical debt lawsuits.

Patient Spotlight

A mother who is being sued for $5,000 over medical bills, under Christopher DeLoney on behalf of Cedar Park Regional Medical Center, stated that the hospital demonstrated neglect in care, ultimately resulting in the death of her child.

Patient Story

Mark Brown, a man whose wife was being sued for an outstanding bill after seeking emergency for shortness of breath, stated he "called the office of Christopher DeLoney for three months and never was able to reach anyone over the phone or even receive a returned call."

He reported that he eventually reached someone when he agreed to settle out-of-court to pay the debt despite the financial strain because he could not afford to risk more lawyer fees and court costs. During the interview, he also admitted to having previous challenges with hospital surprise billing from out-of-network doctors at the local hospital, which resulted in thousands of dollars in medical bills. In fact, in the past, he has avoided medical care at the hospital to evade medical debt.

Top Suing Hospital Lawyers (Cont'd)

William A. Franklin is one of four lawyers at Boerner, Dennis & Franklin (BDF), PLLC, a law firm[33] based in Lubbock, Texas, specializing in corporate law, creditor rights, and banking. Franklin represented UMC-Lubbock, the primary teaching hospital for Texas Tech University Health Sciences Center medical students. In the last two years, on behalf of UMC-Lubbock, Franklin successfully sued patients for approximately $2.5 million in unpaid medical bills and garnished patient assets totaling over $1 million with individual amounts ranging from $1,500 to just over $186,000. Of the cases filed by Franklin, 50% were filed with a writ of garnishment after the hospital won the case in order to give them legal permission to seize assets, garnish bank accounts, and place liens on homes. In one case, the writ of garnishment was 400% higher than the patient's average annual salary and over three times the value of the patient's home. Franklin won; however, the patient soon filed for bankruptcy and the hospital went unpaid. In the end, the hospital and lawyer walked out, merely inconvenienced, while the patient underwent undue stress and lost trust in the medical care system.

In summary, patients and Texas hospital leadership should be concerned about the aggressive and unprofessional practices of firms like DeLoney Law Group and Boerner, Dennis & Franklin. While hospitals may recoup tenths of a percent towards their bottom line, the erosion and betrayal of the public's trust will ultimately cost the American health system as patients delay necessary medical care for fear of financial destruction.

Lawyer	Total Cases (% of All Cases)	Total Amount Won (% of Total)
Christopher R Deloney	817 (81%)	$ 14,794,474 (83%)
William Franklin	73 (7.3%)	$ 2,568,373 (14%)
William Deloney	16 (1.6%)	$ 254,602 (1%)

Table 2: Top Lawyers Suing Patients by Total Cases and Total Amount Won

Texas Hospital Finances vs. Patient Impact

This report has highlighted the shocking and disappointing billing practices of some Texas hospitals. The Texas government has been aware and even implemented laws to limit the impact of medical debt on patients. According to the Texas Debt Collection Act, a debt collector is prohibited from garnishing one's wages for medical debt. In other states, creditors can still pull funds directly from indebted citizen's paychecks.

Though the Texas law limited this practice, citizens falsely believed that they are financially protected and that garnishments and lawsuits for debt collection are unlikely. However, medical debt collectors can file a writ of execution and a writ of garnishment*****. This allows them to go after any bank funds, property, and/or income that is not a wage. Despite legal restrictions, hospitals used these highly impactful and alarming tactics and predatory billing, depleting patient's accounts and seizing their other assets.

These garnishment practices, in addition to the lawsuits, dismantle patients' lives while negligibly impacting overall hospital finances. Upon examining 15 Texas hospitals filing lawsuits, the average lawsuit amount only equaled 0.15% of an average Texas hospital's total gross revenue **(Table 3).** Thus, recouped medical debt, in relation to total gross hospital revenue, was insignificant. These practices took advantage of patients when they were most vulnerable and therefore eroded the already diminishing public trust healthcare system.

Texas Hospital Suing	2018 Gross Revenue	Sued Amt. as % Rev.
University Medical Center - Lubbock	$2,752,249,198.00	0.03%
Longview Regional Medical Center	$2,070,318,823.00	0.03%
Laredo Medical Center	$2,001,499,320.00	0.03%
Tomball Regional Medical Center	$1,125,681,762.00	0.02%
Abilene Regional Medical Center	$973,076,395.00	0.02%
Granbury Medical Center	$931,730,050.00	0.04%
Woodland Heights Medical Center	$886,151,214.00	0.04%
San Angelo Community Medical Center	$801,720,451.00	0.03%
College Station Medical Center	$768,727,170.00	0.03%
Cedar Park Regional Medical Center	$728,895,202.00	0.02%
Weatherford Regional Medical Center	$648,397,346.00	0.03%
Navarro Regional Hospital	$343,637,018.00	0.01%
Scenic Mountain Medical Center	$287,819,318.00	0.06%
South Texas Regional Medical Center *	$257,109,760.00	0.18%
Detar Hospital North	$36,487,583.00	1.74%
Mean Numbers	$974,233,374	0.15%

*In July 2017, South Texas Regional Medical Center was acquired in a joint venture by HCA Healthcare from Community Health Systems (CHS). The revenue data listed is from the fiscal year 2017. Since the joint ownership of HCA and another organization, HCA has not filed any lawsuits under any of the names listed.

Table 3: Hospitals Suing for Highest Dollar Amount vs 2018 Hospital Annual Revenue as Percentage of Total Revenue

<u>*LEGAL 101:</u>

Writ of Garnishment[12]*:* A court order requiring your bank or other third party in possession of non-wage assets to hand over your aforementioned assets to satisfy the judgment.

Conclusion

As this study shows, the current healthcare system is failing the hardworking people of Texas. High uninsured rates, high out-of-pocket spending, and gaps in health coverage have exacerbated medical debt for those already struggling to pay their bills. In some cases, these patients either limited their own medical care to put food on their family's table or risked financial consequences by seeking care they could not afford.

What justification is there in these practices that devastate patients' lives yet make minimal impact on the finances of a hospital system? The unstandardized hospital billing structure and communication pave the way for immoral practices, such as suing patients for medical debt. Creating a set of standardized hospital billing quality metrics would help to increase quality, encourage price transparency, eliminate surprise billing, facilitate communication about payment options, and cease all lawsuits and garnishments for medical debt. Patients are people too. As the evidence shows, they are inundated with paperwork, legal jargon, and outrageous costs, not avoiding medical debt. This alone would overwhelm anyone, regardless of education level or ability to pay. In the end, it is unsurprising that patients succumb to exploitation by healthcare systems that dehumanize rather than empathize.

However, the future of health care is not doomed. Patients can be empowered to take control of their health and finances. It begins with being well informed and prepared. On the following pages, we provide attainable ways patients (Appendix A) and their employers (Appendix B) can ***prevent*** vulnerability to predatory practices, ***plan*** for such practices, and finally, ***push back*** against systemic exploitation. Only as a team and system, with this plan, can we restore the public trust in the U.S. healthcare system.

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Appendix A: What Patients Can Do

If you are a patient...

Prevent

Stay Healthy

- Follow up with primary care regularly
- Avoid unnecessary urgent care visits
- Monitor for early signs of disease
- Practice healthy lifestyle habits
- Stay home and rest when you're sick

When Seeking Medical Care

- Seek care with in-network providers
- Inquire about medical care prices upfront
- Shop around to compare price and quality for nonurgent procedures, testing and surgeries
- Ensure insurance companies are contacted by providers for pre-approval of care
- Contact insurance companies to understand out of pocket expenses
- Know your hospital's billing practices and financial assistance/charity care policies

Plan

If You Are Uninsured

- Shop for doctors, urgent care facilities, and hospitals for reduced rates to pay ahead
- Set up a savings account to cover medical expenses
- Apply for government assistance programs

If You Are Insured

- Understand and choose coverage based on health and financial needs
- Choose lower deductible and cost of care plans vs. lower monthly payments
- Consider supplemental, critical care, cancer or accident insurance
- Consider adding disability insurance to maintain a source of income
- Consider adding a flexible spending account (FSA) or health care spending account (HSA)

Push Back

Contact the Hospital Financial Team

- Request an itemized bill to ensure correctness
- Request info on financial aid programs and charity care
- Negotiate bill and inquire about payment plans

Contact Insurance Company Representatives

- Ensure bill was submitted through the insurance
- Review unpaid medical fees and services
- Discuss accuracy in insurance coverage

Seek Advice

- Hire a lawyer or seek legal advice
- Consider filing for discovery to your court (See Appendix E: Filing for Discovery)
- For advice and assistance from experts on predatory medical billing, please consider submitting your bill and story to restoringmedicine.com → Restoring medicine is a grassroots healthcare patient advocacy group

Appendix B: Top 10 Ways Employers Can Help

If you are an employer…

Top 10 Ways Employers Can Help to Reduce Medical Debt

1. Use trusted providers that do not balance bill or sue patients
2. Design insurance networks that consider both medical quality and billing quality of preferred providers
3. Hire a claims auditor to make sure claims are correct before they are paid
4. Consider high value health plans such as those offered through Health Rosetta certified brokers
5. Evaluate vendors through the Validation Institute
6. Consider using providers with upfront fixed prices for shoppable services
7. Consider direct contracting with surgery center networks with transparent prices
8. Adopt high-value primary care that uses a subscription model
9. Promote health and wellness programs
10. Use patient resources available at RestoringMedicine.org to negotiate unfair medical bills.

"89% of uninsured Texans or their family members are working full or part-time. "[13]

Appendix C: County Profiles Including Median Household Income and Percent Living in Poverty

County	Median Household Income (in $ per year)	Percentage of Median Household Income (in %)	% living in poverty	Average Amount of Medical Debt Lawsuits (in $)
Atascosa County	55,194	7.12	15.7	3,930.61
Gregg County	50,610	25.04	15.1	12,674.61
Williamson County	87,454	16.07	6.4	14,050.37
Tom Green County	49,662	38.97	15.5	19,354.86
Angelina County	49,472	36.38	17.9	17,997.92
Webb County	46,862	56.18	25.7	26,328.15
Harris County	60,232	21.66	16.5	13,045.88
Lubbock County	44,139	90.73	17.6	40,046.57
Taylor County	49,161	50.81	16	24,979.56
Hood County	60,275	23.55	10.2	14,194.97

2018 Texas Average Annual Median Household Income[34]: $60,629
2018 U.S. Average Annual Median Household Income[34]: $60,293
Percent living in poverty in Texas[34]: 14.9%
Percent living in poverty in U.S.[34]: 11.8%

Filing for DISCOVERY

Think you've been sued by a hospital and don't know why? Think it was a mistake? Believe you owe less?

****This handout is being provided for informational purposes only. This is not legal advice.****

WHAT DOES THIS MEAN?

A discovery filing or order is a pre-trial procedure in a lawsuit in which each party, through the law of civil procedure, can obtain evidence from the other party or parties by means of discovery devices such as interrogatories, requests for production of documents, or requests for admissions and depositions.

COURT DATE HAS BEEN ASSIGNED

- Call your state attorney bar association's legal hotline to be connected to a legal aid in your area for advice. You can reach the State Bar of Texas Legal Hotline at: 1-(800) 504-7030.
- Read through court papers thoroughly to ensure you are prepared.
- Arrive to your court date early and be prepared to be there awhile. Be aware you may have to wait for other cases to finish, and your case may not be heard at the listed time.

REQUEST THESE DOCUMENTS

- The itemized bill in plain English
- The executed (signed) agreement where you, the patient, agreed to pay for the non-emergency medical services that were performed on me
- The hospital's charge-master pricing methods in detail including how prices are calculated
- The negotiated discount that your hospital and health system have with third party administrators of health plans
- Request an insurance coverage statement from your insurance company (if applicable)
- The hospital's discounting methods for all patients in the year 2019 who were offered a direct discount for their portion of the bill
- A list of hospital donations received in the year prior, including the total amount
- A list of prices for common non-emergent (shoppable) services at the hospital systems have with third party administrators of health plans

AND THEN WHAT?

- Reach out to the court clerk where your case is being held for detailed instructions.
- Reach out to an attorney or legal aid in your area for assistance if the court clerk cannot provide detailed enough instructions.

Authors

Farah Hashim, Johns Hopkins University, Frank Migliarese, Jr. Georgetown University School of Medicine, Sarah Blakemore, University of Texas Austin, Sean Neifert, Icahn Mt. Sinai School of Medicine, Indrani Das, Weil Cornell University School of Medicine, Morissa Schochet, Columbia University School of Public Health, Katy Talento, Sc.M., KFT Consulting, Cynthia C Swartzel, University of Texas Austin, Allyson Keslar J.D., Marty Makary, M.D., Johns Hopkins University, Jonathan Teinor, Johns Hopkins University, Christi Walsh, MSN, CRNP, Johns Hopkins University

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Media Contacts

Sean Neifert – sean.neifert@icahn.mssm.edu - *Mount Sinai School of Medicine*

Frank Migliarese, Jr. – frank.migliaresejr@gmail.com - *Georgetown University*

Sarah Blakemore - sarahblakemore@me.com - *University of Texas Austin*

Christi Walsh – christi@restoringmedicine.org - *Johns Hopkins University*