



# Addressing Medical Debt Through Data Collection

August 6, 2024  
Board of Supervisors Meeting

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- **Medical debt affected one in ten adults**, or approximately 785,000 LA County adults in 2022
- **The amount of debt is increasing**
  - From >\$2.6 billion in 2021 to >\$2.9 billion in 2022
  - Approximately 46% of this debt belongs to individuals below 200% of the Federal Poverty Level
  - Stark geographic, racial disparities and impact on families with children
  - Financial, health, mental health, and housing repercussions
- **Medical debt is a complex issue involving the entire healthcare system**
  - Hospital bills comprise the majority of debt and the largest bills
  - The 92 hospitals in LA County provided \$602 million of financial assistance in 2021; 1.2% of total patient operating expenses with 53% of all financial assistance from four County operated facilities

**Currently, the financial assistance data that is reported to the State and Federal Government only includes the sum of total dollars of financial assistance provided.**

## **Proposed ordinance**

- Requires hospitals to submit aggregate data on debt collection and financial assistance operations
- Requires hospitals to report on patient accounts advanced to collections
- Includes privacy protections:
  - Data will not include any health information regarding diagnosis, treatment, etc.
  - HIPAA compliant

- Ordinance covers all acute care hospitals in the unincorporated areas of LA County
  - 7 hospitals
- Incorporated cities within LA County will need to adopt the ordinance to cover their jurisdiction
- Safety Net Hospitals have less frequent reporting requirements
- First reporting is due 180 days after ordinance goes into effect
- Similar to requirements in other jurisdictions including San Francisco, Illinois, Oregon, Washington, Virginia, North Carolina, New Mexico, Massachusetts, New York, Pennsylvania

1. Existing financial assistance data reported to State and Federal agencies is very limited with no information on debt collection
2. Shifting policy to practice requires operational metrics to find gaps
3. Individual debt collection data answers one of the most important and hard to get at gaps:
  - Who was a missed opportunity for financial assistance?

- **Aggregate Data Reporting Required**
  - Financial assistance operations and debt collection
  - Provides metrics on gaps for process improvement
- **Individual Data Reporting Required**
  - Allows Public Health to "income match" data profile to understand if an opportunity for financial assistance was missed
  - Private feedback to hospitals



## Healthcare Consumer Protection Unit

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<http://publichealth.lacounty.gov/hccp/MedicalDebt/>