



Advancing Health in America

Hospital Financial Assistance in Context

National Conference of Insurance Legislators

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Framing the Systemic Challenge

- The focus on hospital financial assistance (“charity care”) highlights deeper problems—coverage gaps and underinsurance.
- Uncompensated care is a symptom, not the root cause.
- Hospitals are committed to helping patients, but they cannot fix a broken coverage system alone.
- The goal should be to strengthen access to affordable, continuous coverage.

The One Big Beautiful Bill Act

Key Impacts on Medicaid Coverage and Access

- 11.8 million fewer people on Medicaid by 2034; 7.8 million newly uninsured due to those changes (CBO). Total insurance losses from all provisions could be as high as 17 million.
- \$1 trillion in federal Medicaid cuts.
- Nearly half of rural hospitals already operate at a loss—cuts threaten survival.
- AHA projects 1.8 million rural residents lose coverage; \$50.4B in rural hospital cuts.

The image shows a screenshot of a webpage. The top section is a dark blue header for the Congressional Budget Office (CBO), featuring a '50' anniversary logo and navigation links for 'About CBO', 'Topics', 'Cost Estimates', 'Data', 'Interactives', 'FAQs', and 'Blog'. Below the header is the title of a report: 'Estimated Budgetary Effects of an Amendment in the Nature of a Substitute to H.R. 1, the One Big Beautiful Bill Act, Relative to CBO's January 2025 Baseline'. The report is dated June 29, 2025, and is a cost estimate. A link to 'View Document' (233.4 KB) is provided. Below the report title is a 'View Reconciliation Topics Page' button. The 'Summary' section states: 'CBO estimates that enacting the substitute amendment would not increase on-budget deficits after 2034 relative to CBO's January 2025 baseline budget projections and updated to reflect enacted legislation.' The 'Legislative Information' section has a link to 'Available From Congress.gov'. Below the CBO report is a KFF (Kaiser Family Foundation) article header with the title 'About 17 Million More People Could be Uninsured due to the Big Beautiful Bill and other Policy Changes'. The article is by Cynthia Cox, dated July 1, 2025. To the left of the article is a link to 'Policy Uncertainty is Creating Challenges for ACA Marketplace Insurers'. To the right is a link to 'Senate Reconciliation Bill Would Reduce Federal Medicaid Spending by Over \$200 Billion More Than the House Bill'. At the bottom right of the screenshot is the American Hospital Association (AHA) logo and tagline 'Advancing Health in America'.

Underinsurance and Plan Practices

Even “Covered” Patients Encounter Challenges

- High deductibles and plan denials leave many patients without real access.
- Hospitals are supporting both the uninsured and underinsured.
- Health plan practices often shift risk to providers.



The screenshot shows the top portion of a web page. At the top left is the American Hospital Association logo with the tagline 'Advancing Health in America'. To the right are navigation links: 'AHA Member Center', 'About', 'Press Center', 'AHA Help Center', and a 'My AHA.org' button. A search bar is on the far right. Below the navigation is a breadcrumb trail: 'Home / News / Blog'. The main heading of the article is 'High-deductible and skinny health insurance plans drive medical debt'. Below the heading is the author information: 'Mar 20, 2023 - 03:54 PM by Molly Smith - Group Vice President for Public Policy, American Hospital Association'. At the bottom of the screenshot is the 'AHA STAT' logo, which features the word 'AHA' in blue and 'STAT' in red with a white ECG line, followed by the text 'An American Hospital Association Blog'.

A Balanced Approach

Streamlining the Process for Patients and Providers

- Financial assistance processes are often fragmented and manual, leading to missed connections and delays. Patients and providers alike face barriers—often through no fault of their own.
- The goal should be to support modernization, including data-sharing and eligibility infrastructure.
- Hospitals are increasingly adopting presumptive eligibility processes to help make sure that patients access the charity care they need. They currently rely on expensive, external solutions to automate checks.
- The AHA is supporting our members in implementing such programs, including a new PE Toolkit.
- Expanding mandates without parallel support places additional strain on care delivery.

Financial Assistance Is Only One Part

A Comprehensive and Local View of Community Benefit

- In 2020, tax-exempt hospitals provided \$129 billion in benefits to communities—10x the value of their \$13.2 billion federal tax exemption (AHA/EY):
 - \$57.4 billion for financial assistance, including charity care and unreimbursed Medicaid costs.
 - \$36.6 billion for community health programs, education, research, and in-kind support.
 - \$35 billion for community-building, Medicare shortfall, and bad debt tied to financial assistance.
- Charity care levels vary by Medicaid access and community demographics.
- Hospitals invest based on local needs—like behavioral health, housing, and chronic disease.
- No single metric defines the full value hospitals provide.

Moving Forward Together

Hospitals Need Partnership, Not Punishment

- Improve access to affordable coverage.
- Support hospitals that want to pursue presumptive eligibility by building systems that improve access to assistance and leveraging available state resources.
- Recognize the full spectrum of hospital benefits to communities.

Questions to Consider in the Context of Your State

- Does this policy reduce the need for financial assistance?
- Does this policy proactively assist hospitals in assessing eligibility for financial assistance?
- Does this policy inadvertently change the scope of financial assistance by extending it to non-hospital settings?
- Does the policy recognize that determining eligibility for financial assistance can be complicated for reasons beyond the control of the hospital?



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Thank you

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