Early Impacts of VT Act 119: Creating a Minimum Standard for Patient Financial Assistance

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Vermonters' concerns about medical debt motivated passage of Act 119 in 2022

Introduction

Act 119: *An act relating to patient financial assistance policies and medical debt protection*

- Passed by VT Legislature in 2022.
- Took effect on 7/1/2024.
- Standardized and expanded financial assistance programs (FAP) at all VT hospitals.

Methods

- We conducted interviews with 2 categories of employees: 6 groups of direct patient assistance personnel (DPA) and 4 groups of hospital administrators (HA).

Benefits, Challenges, and Visibility

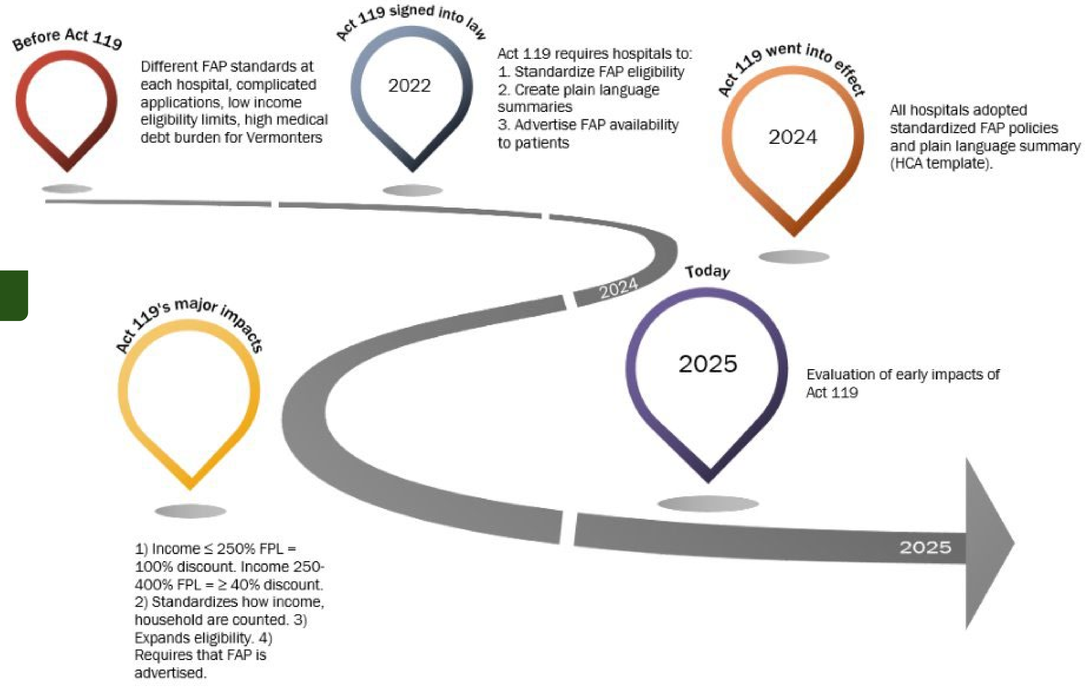
"[FAP] is posted in the hospital and doctors' offices, waiting rooms… But you'd be amazed how many people didn't know we have it."

"I think what we were doing previously was working perfect […] it gave us more flexibility to collect money."

"Most people's real lives are too messy and complicated to fit into a box."

"The standardization is really helpful for us [as legal assistance]. I think it's somewhat of a lift for the patient financial assistance offices."

- Increases in levels of allowed income and assets have widened the population of patients who are eligible.



Access, Clarity, Communication, and Barriers

- Identified need for more digital resources and advertisement outside of healthcare facilities to increase awareness of FAPs.
- Many applications are denied for lack of complete documentation, highlighting need for simplifying communication between patients and financial assistance staff.
- Need for additional clarifications such as counting of cash assets.
- FAP applications usually require tax returns, bank statements, and social security statements. This is burdensome for patients.

Hospitals adjusted plain language summaries using template provided by the Office of the Health Care Advocate (HCA)

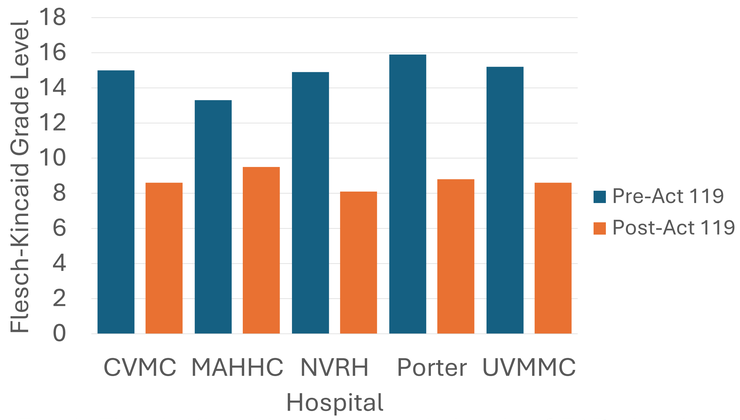


Fig. 1: Flesch-Kincaid reading grade levels of FAP plain language summaries from several VT hospitals pre- and post-Act 119.

- Lowered reading level of all summaries
- All summaries now read similarly due to use of the common template

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Financial assistance applications were not standardized

- Flesch-Kincaid Reading Levels of current applications range from 9.4-11.6.
- Although FAP policies are uniform, applications from different hospitals differ in what they ask for and ease of use.

Office of the Health Care Advocate-Provided Checklist to Hospitals

- Specified income documents, assets to be considered, Vermont resident qualification, etc.
- Ambiguous public outreach requirement: "notifying and informing [community members] who are most likely to need financial assistance"

Data Determining Impact of Act 119

Table 1. FAP Application Decisions for CVMC, PMC, and UVMMC for 2024 Fiscal Year (10/1/23 - 9/30/24)

	CVMC	PMC	UVMMC
Approved			
Free Care	723	560	3,589
Reduced Care	568	291	2,602
Total	1,291	851	6,191
Denied			
Incomplete Documentation	148	80	670
Other	73	83	585
Total	221	163	1,255

- Above data provide a pre-Act 119 baseline.
- Majority of denials are due to incomplete documentation (67.0%, 49.1%, 53.4% from CVMC, PMC, and UVMMC, respectively).

Discussion and Future Directions

- Hospitals have adopted standardized FAP policies and plain language summaries.
- Help hospitals track FAP utilization, application decisions to measure Act 119's impact.
- Gauge patients' experiences with FAPs and their financial aid literacy.
- How to ensure FAP financial sustainability for hospitals given funding challenges.