

California Is a National Leader In Protecting Patients from Medical Debt



Safeguarding Patients

California has built a strong system of laws and regulations that sets the highest standard in the nation for hospital financial assistance for patients — including both charity (free) care and discounted care. California's approach ensures more patients have access to the support they need during times of hardship:

- **California hospitals are required** to offer free or discounted care to patients who qualify — for example, a family of four earning up to \$128,600 a year qualifies if they are uninsured or have high medical costs (underinsured).
- **Hospitals cannot garnish wages** or place a lien on a patient's home or other real property.
- **Hospitals must inform patients in multiple ways** of their financial assistance rights and how to receive assistance.
- **Financial assistance information** must be written in large font, easy to understand, and translated into multiple languages.
- **Hospitals must offer interest-free** extended payment plans via a formula established by state law.
- **Hospitals must inform patients** of how to file a complaint with the state and how to get help from consumer advocacy organizations.
- **Hospitals are prevented** by law from reporting medical debt to credit rating agencies.
- **Hospitals face penalties** of up to \$40,000 for each violation of these laws.

Hospitals Are Helping



Even though Medicare and Medi-Cal paid \$22.5 billion less than the actual cost to treat patients in 2023, hospitals stepped up to help financially challenged patients.

\$2.5 Billion

the amount California hospitals provided in financial assistance, including debt forgiveness, to patients in 2023

Mythbusting

DID YOU KNOW?

Not all medical debt is hospital debt. A significant portion of medical debt stems from health care providers that are not held to the same requirements for charity care and debt forgiveness as hospitals:

- Doctors
- Dentists
- Ambulances
- Labs
- Physical therapists
- Surgery centers