



ASSEMBLYWOMAN PILAR SCHIAVO

AB 1312 – Patient Debt Prevention Act

Summary

Assembly Bill 1312 requires all hospitals to screen patients most likely to qualify for financial assistance and determine eligibility prior to billing the patient.

Background

Rising health care costs are threatening access to care, and patients continue to face barriers to financial assistance. California has some of the highest costs in the country for inpatient hospital care, forcing patients to skip or delay care when they need it the most – making health conditions worse. A visit to a hospital emergency room can result in thousands of dollars in medical bills, driving more families into medical debt. More than one in three Californians reported medical debt in 2023.

More than half of Californians who are Black, speak Spanish, or have low incomes (under 200% FPL) – and nearly half of Latino Californians – reported medical debt. A national survey by the Urban Institute found that nearly 73% of adults with past-due medical debt owed some or all of it to hospitals. Unfortunately, the absence of clear screening standards in California diminishes the impact of our state's existing charity care laws by allowing patients to slip through the cracks. California must join other states in requiring that patients are proactively screened for discount and free hospital care; a practice many hospitals already implement to streamline billing processes.

Current Law

Non-profit hospitals are required by federal law to implement financial assistance programs, while California law requires all hospitals to provide levels of free or discounted care.

Patients who earn up to 400% of the federal poverty level (up to \$10,400 a month for a family of four), including insured patients with high medical costs, may be eligible for help paying their medical bills. People who are uninsured or

underinsured pay a discount rate equal to a patient with Medicare coverage for the same care.

However, the process to apply for financial assistance is burdensome for patients and hospital staff, poorly communicated, and often cannot be done electronically. This cumbersome process deters eligible patients from seeking assistance when families need it most.

This Bill

AB 1312 requires all hospitals prior to billing to screen patients for financial assistance eligibility who are uninsured, enrolled in Medi-Cal with cost-sharing, or enrolled in a Covered California health plan.

Patients who are experiencing homelessness, enrolled in means-tested social services programs or have received financial assistance within the last 6 months will be automatically eligible for financial assistance.

AB 1312 also requires hospitals to notify the patient in writing of the results of the screening process, ensuring that patients are aware of their eligibility and can get the care they need without worrying about cost impediments.

Support

California Pan-Ethnic Health Network (Co-Sponsor)
Health Access California (Co-Sponsor)
Leukemia and Lymphoma Society (Co-Sponsor)
Rising Communities (Co-Sponsor)

For More Information

Carlos Gutierrez
Office of Assemblywoman Schiavo
Carlos.E.Gutierrez@asm.ca.gov or (916) 319-2338