

JUNE 24, 2004

**SCHAKOWSKY WARNS AGAINST  
SOME HOSPITAL BILLING &  
DEBT COLLECTION PRACTICES  
THAT FINANCIALLY INJURE  
PATIENTS & FAMILIES**

**URGES CONGRESS TO ALSO  
ADDRESS LARGER PROBLEM:  
*LACK OF ACCESS TO AFFORDABLE AND COMPREHENSIVE UNIVERSAL HEALTH  
CARE***

**WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) today called for reform of hospital billing and debt collection practices and for universal health care coverage during a hearing of the Commerce Subcommittee on Oversight and Investigations.**

**During today's hearing, Schakowsky welcomed Chicagoans who have traveled to Washington to attend the hearing because they have been personally and seriously affected by these practices, and added, "Some hospital billing and debt collection practices can turn a medical injury into a financial nightmare."**

**Schakowsky pointed to Lesszest George, who is a working single mother. Her 19-year old son spent 2 weeks in Illinois Masonic Hospital after he was shot in a case of mistaken identity. Ms. George received a \$52,000 bill to cover the expenses of her son's treatment, and, when she was unable to receive assistance under the Victims' Assistance Fund, the hospital filed a lawsuit against her.**

**"We need to address charity care policies, discriminatory pricing and abusive collection practices," Schakowsky said. She did, however, recognize Cook County hospital for working with the uninsured and under-insured to help them find solutions in order to meet their financial obligation "so that the focus is on getting well - not dealing with collection agencies and lawsuits."**

**"We must recognize that our health care system itself has failed Lesszest George and many other Americans. Despite working full-time, they are uninsured and facing medical debts that will be hard to dig out from and that makes it difficult to care for their families' ongoing needs," Schakowsky added.**

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**She concluded, "We in Congress can act to solve these problems or we can act to exacerbate them. □ High-deductible plans and Health Savings Accounts will shift more costs onto individuals and families, increasing the likelihood of medical bankruptcy. □ Limited tax credits for the purchase of inadequate individual policies will not guarantee that policy holders will be able to pay their bills. □ Instead, it is time that we enact universal health care that assures access to comprehensive, affordable care."**

**Below is the written text of Schakowsky's statement:**

**STATEMENT OF REP. JAN SCHAKOWSKY  
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS  
"A REVIEW OF HOSITAL BILLING AND COLLECTIONS PRACTICES"**

**□ June 24, 2004 □**

**Mr. Chairman, I want to thank you for holding this hearing on hospital billing and collection practices. □ Many of the issues that we will talk about today are the focus of attention in Illinois and are being considered by the legislature, investigated by the state attorney general's office, and debated in the hospital community and the public. □ I want to thank Mr. Greenwood, Mr. Dingell and Ms. DeGette for including a report on the Chicago situation, "A Failing Mission: □ The Decline of Charity Care at Resurrection Hospitals," in the hearing record. □ I would like to ask unanimous consent to include a statement by the Service Employees International Union that also addresses billing and collection practices in Illinois in the hearing record.**

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**In fact, several Chicagoans have traveled here today to attend this hearing because they have been personally and extremely seriously affected. □ I want to recognize them. □ Zaida Perez was a hospital nurse for 21 years. □ Her troubles began when her working but uninsured husband was in a car accident in January 2003 and admitted to Advocate Lutheran General Hospital. □ Two days later, her father died and she faced \$13,000 in burial expenses. □ She was diagnosed with breast cancer and, fortunately, was treated at Cook County Hospital, which helped arrange payment for her bills. □ In March, Lutheran General sent her husband a bill for \$12,000. □ Although she asked for help in devising a payment plan, no help was given and in April, the threatening calls began. □ After a payment plan was finally worked out and payments were being made, she was sued. □ Her husband's wages were garnished at the rate of \$75 a week until she finally got legal assistance to erase her debt.**

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**Lesszest George is a working single mother. □ Her 19-year old son spent 2 weeks in Illinois Masonic Hospital after he was shot in a case of mistaken identity. □ Asked after the surgery who would be responsible for the bill, Ms. George signed, thinking that her son was covered by insurance but not realizing that he had lost that coverage upon graduation from high school. □ She received a bill for \$52,000. □ The hospital did work to help her apply under the Victims' Assistance Fund, but she was denied. □ Instead of working with her for charity care, they have filed a lawsuit. □ Her son is now doing well but is still uninsured because, as a part-time student and part-time worker, he doesn't qualify for insurance.**

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Their stories underscore that hospital billing and collection practices can turn a medical injury into a financial nightmare - as in the case of Lutheran General and Illinois Masonic. □ Or, as in the case of Cook County, those practices can provide the necessary financial assistance so that the focus is on getting well - not dealing with collection agencies and lawsuits. □ □

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We need to address charity care policies, discriminatory pricing and abusive collection practices, but we must also recognize that our health care system itself has failed Zaida Perez, Lesszest George and many other Americans. □ Despite working full-time, they are uninsured and facing medical debts that will be hard to dig out from and that make it hard to care for their families' ongoing needs. □ As we will hear, the problems of medical debt and the lack of affordable health care are most acute for the uninsured. □ They are more likely to forego care, are charged more for care (in hospitals and in other settings), and are the most likely to face medical bankruptcy. □ □ But being covered by insurance isn't a guarantee by any means. □ As Sara Collins points out in her excellent testimony, more than 1 in 3 of the continuously insured reported problems paying medical bills. □ We know that access to affordable health care - benefits, cost-sharing requirements, and discounts - varies not just by whether you are insured or uninsured but on the type of insurance coverage you have. □ The bigger the group, the better the coverage.

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We in Congress can act to solve these problems or we can act to exacerbate them. □ High-deductible plans and Health Savings Accounts will shift more costs onto individuals and families, increasing the likelihood of medical bankruptcy. □ Limited tax credits for the purchase of inadequate individual policies will not guarantee that policy holders will be able to pay their bills. □ Instead, it is time that we enact universal health care that assures access to comprehensive, affordable care.