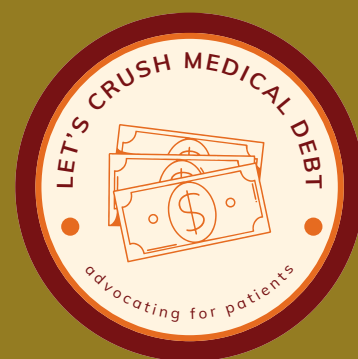




MEDICAL DEBT IN TEXAS: A STORYBOOK

LCMD: LET'S CRUSH MEDICAL DEBT

ADVOCATING FOR PATIENTS



By the end of this storybook you will...

UNDERSTAND the healthcare affordability crisis in Texas. Texas ranks #1 in the nation for the number of residents with medical debt, and the trends do not show any sign of stopping. Throughout this storybook, we will provide a clear understanding of the healthcare affordability problems on Texans' minds through facts, data, and experiences.

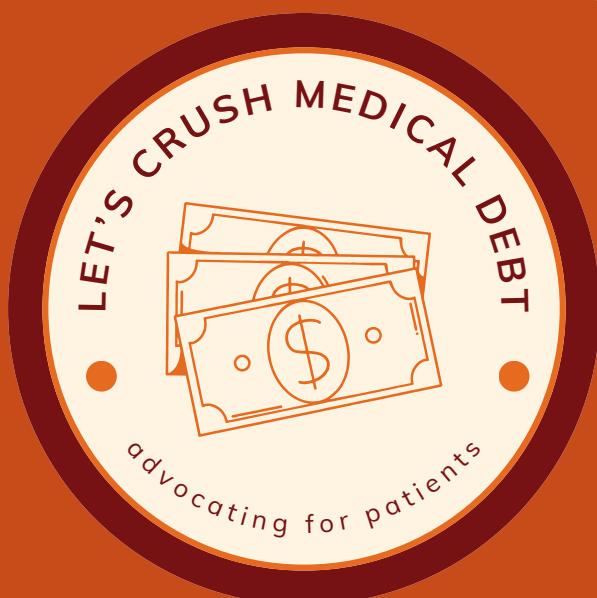
01

02

HEAR stories from real Texans. We have collected first-hand accounts of some of the many victims of medical debt in the state. Whether caused by military service, car accidents, or years of strenuous work, the various unfortunate hospital visits detailed in this storybook are tied together by one result: A lifetime of financial suffering.

LEARN how you can make a positive change in Texas. As a lawmaker, you have the power to solve many of the healthcare affordability problems plaguing Texans today. This storybook will equip you with the knowledge to understand the problem along with the tools to address it. We have detailed some of the clear, actionable steps that you can take to fight the healthcare affordability crisis head-on and forge a more affordable healthcare future for your constituents.

03



2013

In 2013, Non-Profit Hospitals were required to provide “community benefit” that is equal to or greater than their tax-exempt benefits. One significant part of this requirement is administering charity care/financial assistance: free or heavily discounted medical care provided by hospitals to eligible low-income, uninsured, or underinsured patients



2020



In 2020, in an effort to help close the gap that currently exists, a group of UT Austin students set out to increase awareness of charity care in their community. We are Let's Crush Medical Debt. Through a combination of community outreach, state-level advocacy, and education campaigns, students come together from across the state to fight for healthcare affordability.

Utilizing our unique opportunity to understand the real struggles of everyday Texans, LCMD expanded to advocacy work, to raise up the voices and needs of those we serve.

We champion healthcare affordability and seek to shape a better Texas. where organizations like ours are no longer needed. We need your support to fix the system for Texas patients.



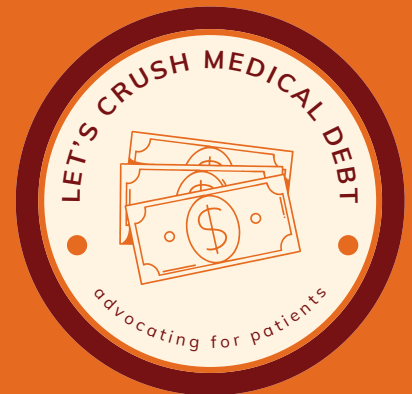
IMPACT

4000

volunteer hours

60+

stories collected



623

of patients that
LCMD has referred
to Dollar For

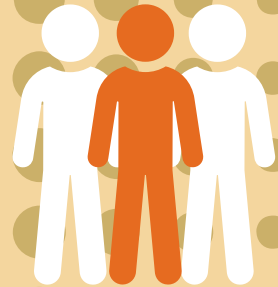
\$1,578,960

Dollar amount in medical bills that
has been processed for charity
care due to LCMD



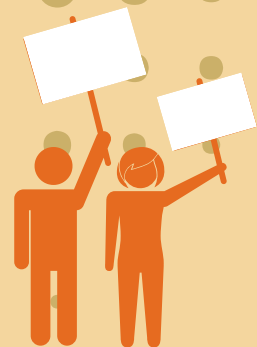
MORE THAN ½ OF TEXANS SKIP OR POSTPONE CARE DUE TO COST

NEARLY 1 OUT OF 3 TEXAS ADULTS HAVE UNPAID MEDICAL BILL



HEALTHCARE COSTS CONTINUE TO RISE FASTER THAN INFLATION

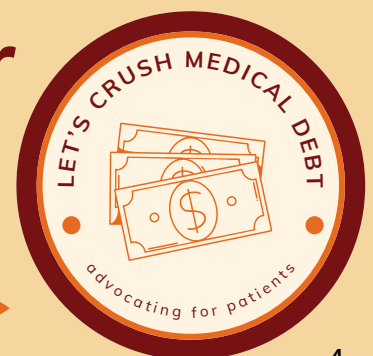
YOUNGER TEXANS (49%) WERE MUCH MORE LIKELY TO STRUGGLE AFFORDING CARE COMPARED TO TEXANS OVER AGE 65 (31%)



“Out of the thousands of patients I have talked to, I have never once heard the words ‘I already know about charity care.’”

- LCMD Member

This is a quote from one of our members at our first committee testimonial. This was the beginning of our organization’s involvement in legislative advocacy, and has spurred our passion for passing legislation that relates to not only charity care, but medical debt on credit reports, public hospitals, and Medicaid expansion as well.



2027 LEGISLATIVE PRIORITIES



Texas ranks #1 in the nation for the number of residents with medical debt

Require Non-Profit Hospitals to Screen for Charity Care (HB3708)

- **Non-profit hospitals** receive **billions in tax exemptions** in exchange for **community benefit** programs
- Many eligible Texans are **never told financial assistance exists** or can't navigate complex applications
- Require hospitals to **proactively screen patients** so aid reaches those it was designed to help

Removing Medical Debt from Credit Reports

- **Medical debt** is the **leading cause of collections on Americans' credit reports**, yet it is a **poor predictor of a borrower's ability to repay loans**
- **Texas families** facing illness or emergency care have **no protection against medical bills destroying their credit** — limiting access to housing, jobs, and future loans
- **Removing medical debt from credit reporting** would give Texans a **fair financial recovery** without penalizing them for getting sick



1 out of 4 Texans have medical debt on credit report

73%

of Texans support Medicaid expansion

Medicaid Expansion

- Texas has the **highest uninsured rate in the nation**, leaving millions of working adults without coverage
- Expansion enables preventive care, **reduces uncompensated hospital costs, and brings federal funding into Texas**
- Strengthens individual health outcomes and the broader healthcare infrastructure statewide

Increasing State support for Public Hospital Systems

- Public Hospital Systems bring **efficiency** to healthcare by doing **more with less**.
- **Public systems** such as Harris Health **spend half the national average** per patient **while meeting and exceeding** national averages for **quality of care**
- As Texas's **hospital consolidation** continues to **outpace the nation**, **competitive, affordable** options are needed now, more than ever.



NEARLY 1 in 3 Americans have medical debt

59%

U.S. adults report worry about their ability to afford prescription drugs expenses for themselves or their families.

Pharmacy Price Disclosure on Cash vs. Co-Pay

- Patients **often pay more** through insurance co-pays than the **direct cash price for medications**
- Pharmacies are currently not required to disclose when a lower cash price exists
- Require pharmacies to inform patients of the cheaper option — improving affordability and informed choice

POLICY SOLUTIONS FOR REAL TEXANS

Despite years of service, he received decades of medical bills.



HOW SCREENING FOR CHARITY CARE WOULD HAVE CHANGED MATTE'S LIFE

Matte enlisted in the U.S. Army at 18, but a **spinal injury** derailed his career and set off years of health and financial hardship. **Unable to afford routine care, he avoided treatment until pain became unbearable**, resulting in repeated emergency visits and ambulance transports. Over the past decade, he has accumulated more than **\$300,000 in medical debt**. Throughout multiple hospital interactions, **charity care was never explained or offered to him**. The debt sent his **credit score into the low 400s**, leading to **repeated denials for housing and transportation** despite having the means to pay. He is currently facing additional barriers after finding that his Humana insurance is not widely accepted by providers in Austin. **If Matte had been screened for charity care, consistent and affordable treatment could have broken the cycle of emergency care, debt, and instability that has defined the last decade of his life.**

The care exists, but the system and the bills make it feel impossible to reach.

HOW MEDICAID CHANGED ROBERT'S LIFE

After spending years supporting the Austin community through physically demanding work, **Robert Soto's life changed when he was struck by a car twice in one week**, leaving him with severe injuries and mounting medical costs. **Simply as a result of his bad luck, he was left with thousands of dollars in medical debt** and says he was never informed about available financial assistance options. The debt and confusion surrounding his care caused him to **avoid the healthcare system out of fear of additional costs**. When Robert later became eligible for Medicaid, he **was finally able to access regular preventive care and treatment for lingering injuries** without the constant fear of medical debt. This newfound access completely reshaped his health, allowing him to build a healthier tomorrow rather than just dreaming of it. His story demonstrates how **expanded Medicaid coverage can improve health outcomes, reduce financial hardship, and provide long-term stability for working Texans recovering from crisis.**





HOW A DAMAGED CREDIT SCORE IMPACTS LIVES

Jane, a new Austin resident, was rebuilding her life as an electrician apprentice when a stolen car cost her that job and her financial footing. **While struggling to recover, she developed cellulitis and returned to the hospital twice for treatment that never resolved it. Despite being covered by insurance, her medical bills were too steep to pay.** Instead of receiving an opportunity to get back on her feet, she was faced with repeated threats of collections, and charity care was never offered. **Her credit score collapsed, costing her housing, a vehicle, and job opportunities.** Jane's story shows how a single treatable illness, mishandled by hospital billing, can quietly destroy a person's credit and their chance at stability.

She survived the accident, but no one told her how to survive the bill.

THE TOLL OF UNAFFORDABLE MEDICATION

After a hit-and-run accident and a cascade of devastating losses, including housing and custody of her seven-year-old son; Jennifer's health began to fail. The chronic stress worsened her hyperthyroidism, and **despite having insurance, she could not afford the medications her doctor prescribed.** Her condition was deteriorating because the out-of-pocket costs were simply out of reach. **According to a recent report from the University of Southern California, copays actually cost more than the retail price of the drug almost 25% of the time.** When medication exists but remains unaffordable, coverage means nothing. **Pharmaceutical companies should be transparent about pricing and make life-sustaining medications accessible to the patients who need them most.**



My daughter couldn't get an apartment because of me - my medical debt.



HOW BETTER ACCESS TO PUBLIC HOSPITAL SYSTEMS WOULD HAVE CHANGED TAYLOR'S LIFE

Taylor, a retired healthcare and research employee, is now struggling to access the care she needs. At age 40, she developed carpal tunnel syndrome, which ultimately led to early retirement and disability. **Today, she is carrying approximately \$10,000 in medical debt,** stemming from treatment for carpal tunnel syndrome and a colonoscopy procedure. Due to the heavy burden of this debt, **she frequently avoids recommended care for fear of further costs.** Her struggles have been amplified by the impact the debt has had on her credit score, which has created barriers to acquiring a vehicle or even housing. **If Taylor had access to cheap preventative care along with affordable treatment through a public hospital system, she would not have been punished for decades of dedicated labor.**

67%

of Texan voters are “very concerned” about the price of healthcare, the highest level of concern among economic issues

8.7 Million

Texans adults have medical debt

"The treatment exists. Texas just hasn't approved it yet."

1. **Vote** to pass legislation that:
 - a. Requires non-profit hospitals to screen for **charity care**.
 - b. Remove medical debt from **credit reports**.
 - c. Expands **Medicaid** coverage in Texas.
 - d. Increases state support for **public hospitals**.
 - e. Notifies patients when **pharmaceutical cash prices** are lower than co-pays
2. Join as a **co-sponsor** on one of these bills
3. **Discuss healthcare affordability** with colleagues/constitutents
4. **Share YOUR ideas** for healthcare affordability

Your voice can be the difference in preventing hundreds of thousands of Texans from a lifetime of suffering.

For any questions, or to continue this conversation, contact us at

Texas.lcmd@gmail.com

