

**Full response from UVA Medical Center spokesman Eric Swensen to findings by Kaiser Health News and The Washington Post on bill collection and patient lawsuits.**

As a safety-net hospital for Virginia, UVA Health cares for all patients regardless of their ability to pay. We know that many patients both here in Virginia and across the U.S. face challenges in paying their medical bills, and UVA Health works with patients to make payment arrangements or help them receive financial assistance or insurance coverage while complying with our commitments to the Commonwealth of Virginia.

We are committed to ensuring patients can access affordable care through UVA Health. Under the Virginia Debt Collection Act, UVA is required as a state agency to seek payment for unpaid bills, regardless of where a patient is employed. Sending unpaid bills to a collection agency or pursuing a civil claim is a last resort.

In the six-year period studied, we saw an estimated 6 million patient visits. For the vast majority of patients, we are able to agree upon workable payment plans without filing a legal claim.

UVA's goal is to assist patients with paying their bills before the collections process begins. Each year, approximately 37,500 UVA patients apply for financial assistance under charity care guidelines set by the Commonwealth of Virginia. About 95 percent of patients approved for charity care do not have to pay anything for their care beyond a \$6 co-pay.

When discussing charity care, it is important to note that Medicaid, Medicare and charity care cover about 60 percent of our patients. Unfortunately, the reimbursement from these three programs does not cover the cost of providing care to patients covered under these programs.

In addition to charity care, UVA assists approximately 3,500 patients annually in qualifying for Medicaid or Family Access to Medical Insurance Security (FAMIS), which provides insurance coverage while helping UVA receive some reimbursement for the care provided. The service to assist in enrollment is free of charge to our patients; UVA pays all of the costs, which are more than \$2 million per year.

If patients tell us at any point – including after receiving care through the entire billing and statement process – that they may have difficulty paying their bill, they may also be eligible for long-term, interest-free payment plans. Patients are not charged any fees for setting up a payment plan.

To clarify a few points about our collections practices: sending a bill to a collection agency or filing a civil claim only occurs if UVA has not received payment or a patient has not set up a payment plan at least 120 days after the first bill is sent. In that time, all patients would have received a minimum of four to five separate patient statements requesting either payment or payment arrangements, along with instructions in each statement for making an application for financial assistance.

When patients in a courtroom are given two weeks to set up a payment plan before garnishment, for example, this occurs at least 150 to 200 days after the first bill is sent. Our current practice is to only file civil claims when patients owe more than \$1,000 and make more than 200% of the federal poverty level. When UVA files civil claims without the assistance of an

attorney – which happens in the majority of cases – no legal fee is added to the judgment. Garnishing state tax refunds is a provision of the Virginia Debt Collection Act. Similarly, state law sets the 6% interest rate on judgments.

We disagree that all uninsured patients are charged at inflated rates. The automatic 20% discount for all uninsured patients, combined with the additional 15% discount available to patients that pay promptly, make charges comparable with what UVA receives from private insurers.

UVA needs to generate a positive operating income (the equivalent of profit) to reinvest in all three parts of our mission, which includes educating the next generation of healthcare providers and performing research that seeks to improve the human condition together with high-quality patient care. Not only do we invest in our workforce, but we also ensure new and renovated facilities as well as up-to-date technology to assist in patient care.

When discussing our financial performance, we want to highlight that a significant portion of our income over the past five years has come through investments, not by providing patient care. Faced with rising costs in areas such as medications, our operating margin from patient care has declined steadily over the past five fiscal years, dropping from 5.5% in fiscal year 2014 to 4.2% in fiscal year 2018.

We are always examining ways to advance how we improve our care and service, and this includes our financial assistance process. UVA is considering policies to provide additional financial assistance to low-income patients not covered by our existing charity care policies.