

[MUSIC PLAYING]

INTERVIEWER: Leading the program is an issue that is not new but it is getting worse. The Kaiser Family Foundation reports that right now, 4 in 10 adults in the US have some form of health care debt. Did you know that nonprofit hospitals are required to provide discounted care to patients who need it?

But an investigation from the Rochester post bulletin finds that Rochester's Mayo Clinic provides significantly less charity care than other top hospitals across the US. That means Mayo patients who are eligible for financial assistance may not know it and are instead going into debt. Molly Cassel work is one of the authors behind that investigation. She's an investigative reporter for the post bulletin. Molly, welcome.

SUBJECT: Thank you, Cathy.

INTERVIEWER: Hey, what was the spark that got you into this story?

SUBJECT: This was started with my colleague Jeff Kiger. We were looking at the US News world report's annual rankings that they do where they rank hospitals and Mayo ranked number one as the top hospital. This is their seventh year doing that. The US News added a new sub-ranking this year on charity care and Mayo ranked a significantly lower than other hospitals. So my colleague Jeff wanted us to look into it.

INTERVIEWER: OK. So according to your reporting in 2021, Mayo contributed 0.34% of its expenses to charity care and they've decreased spending over time, is that right?

SUBJECT: Yes, that's true. So there was a pretty significant reduction in 2021. They spent 49 million on charity care, which was 40 million less than the previous year and the lowest number in the past 15 years from what we can tell

INTERVIEWER: Were the reasons given for that?

SUBJECT: Yeah, so they explained to us that part of the reason was because through pandemic relief measures, more patients were covered through Medicaid and were receiving financial assistance. But sources we spoke with said that that's still not enough and even what they were contributing towards charity care in past years is still not where it should be at.

INTERVIEWER: Now, you interviewed a few Mayo patients who didn't know they were eligible for financial assistance. Let's talk about Britney, what's her story?

SUBJECT: Yeah, so Britney actually was a Wisconsin patient. She didn't go to Mayo Clinic but she had a very similar story to what we've been hearing. She had a, I think, \$3,000 bill and should have qualified for free care but had no idea that this existed. And she and another patient we interviewed for Mayo Clinic, Megan Bass, both discovered charity care through Tik Tok.

INTERVIEWER: Oh, OK. Because it's really not really talked about much, right?

SUBJECT: No, not from what we can tell. So hospitals are legally required to advertise their charity care policies. The IRS actually sets guidelines for how to advertise the policies but they're a little vague. And so, from what we learned, hospitals can be following the law but still not doing enough because, for example, most hospitals advertise it on their website and in their billing statements. But if you're a patient, you might not even know to look for this if you don't know the program exists.

INTERVIEWER: Well, who's normally eligible for financial assistance?

SUBJECT: So every hospital writes their own policy. So that's another complication is it changes a lot. But Mayo Clinic, for example, you qualify if you're below 400% of the federal poverty guidelines. That's for reduced care. You qualify for free care if you're below 200%. And for a single person, that's less than I think 57,000 annual salary.

INTERVIEWER: So Mayo is not really contributing a fraction of its revenue toward charity care. Did you get a sense about other hospitals in Minnesota? I mean, are they giving at a comparable rate, or a higher rate, or what?

SUBJECT: Yeah, this was really interesting. So no, no one's really where we want them to be. The national average is spending 2.4% of your expenses on charity care. I analyzed all the nonprofit hospitals in southeastern Minnesota and all the ones that we spoke with did not meet that average.

Our local Olmstead Medical Center did contribute more than Mayo Clinic based on that percentage, but no one's meeting the average. And that's true for top hospitals too. We looked up the top 10 hospitals ranked by US News and none of them meet the average. And Mayo was the second lowest of the ones that we evaluated.

INTERVIEWER: So a number of hospitals seem like they're reigning in the charity care.

SUBJECT: Yes. And most of them dropped during the pandemic. Not all of them but a lot did.

INTERVIEWER: So what's Mayo's response to your report? What's the official line?

SUBJECT: They, I think, just want more context. They want to know that they do all sorts of other community benefit, which is true. They, of course, benefit the community by running an emergency room open to all regardless of ability to pay. They also touted the spending that they do to cover uncompensated Medicaid bills. But something that's interesting is talking with sources, although that certainly qualifies as public benefit, theoretically that doesn't qualify as meeting the charity care standard, which is a legal requirement.

INTERVIEWER: So I know you're reporting, you're going to continue to report on this story, is there any legislation that will be addressing this issue at all?

SUBJECT: Yeah, so there is one that's addressing charity care. It did not pass last year but Minnesota legislators are pushing for it this year. It's called the protect, or excuse me, it's called the get covered bill and it's a bill that would require hospitals to screen uninsured patients for eligibility for public assistance programs, including like Minnesota care but also charity care. So hospitals would theoretically know right away if someone qualified for charity care.

INTERVIEWER: So getting back to the patients who have substantial bills that they're looking at and they can't pay, what happens to them?

SUBJECT: Well, usually they get sent to collections and then after that, it can affect all kinds of things that can affect your credit score. It can put you into a cycle of debt. But something I found really interesting was it can actually cause long-term health effects to There are studies that medical debt can exacerbate health conditions but it can also deter people from wanting to seek the health care that they need because they're scared of incurring more debt.

INTERVIEWER: So that's interesting about how it can touch off an exacerbate medical conditions just because of the stress.

SUBJECT: Yeah, we were looking at a report from the Sycamore Institute, which is a national organization, and they said that yeah this can contribute from the stress. It can just exacerbate more health conditions, everything from mental health to physical health.

INTERVIEWER: Well, you did a great job reporting on this, Molly. Thank you so much for joining us.

SUBJECT: Thank you so much, Cathy.

INTERVIEWER: Molly Cassel work is one of the reporters behind this Rochester post bulletin investigation check it out online.