

# Increase Healthcare Access and Reduce Costs Through Philanthropic Aid

A WHITE PAPER BY ATLAS HEALTH

Philanthropy – “the love of humankind” – is a critical opportunity to impact patient’s lives by improving access and reducing financial distress for better health outcomes



# Abstract

The past few years have put immense pressure on the US' complex healthcare system. The pandemic, inflation, and rising deductibles and premiums created more challenges for patients to access and afford care.

Despite over 90% of the US population having health insurance, medical debt remains a persistent problem. Today, US patients owe more than \$195 billion in medical debt. Most of that debt lies with people who owe over \$10k.<sup>1</sup> For patients and families with limited assets, even a relatively small unexpected medical expense can be unaffordable. Debt may build up over time for those with significant medical needs, with costs exacerbated by more expensive treatments. Patients living with cancer, multiple sclerosis, and other complex diseases accrue significantly higher medical debt than those who never face these types of health problems. In many cases, these situations force vulnerable patients to choose between receiving treatment and the ability to afford basic living expenses.

In this white paper, we examine the challenges Americans face with healthcare costs and medical debt and how philanthropic aid can be leveraged to support patients and families.

## Contents

Financial Toxicity, a Side Effect of US Healthcare .....	3
Affordable, Accessible Treatment Through Philanthropic Aid .....	4
Delivering Aid to Those in Need .....	5
Optimize Patient Assistance .....	6

# Financial Toxicity, a Side Effect of US Healthcare

Medical debt can affect almost anyone in the United States, but this debt is especially challenging for patients with complex health issues, financial insecurity, or those confronting both burdens at the same time. People with severe illnesses also risk losing employment or income due to illness.

Insurance and social safety net programs aim to replace income when patients are sick but often fall short. This creates additional financial issues. There are also racial disparities, with Black Americans much more likely than people of other racial or ethnic backgrounds to report substantial medical debt.

## Many Americans, even those who pay for health insurance, lack sufficient funds to afford deductibles and out-of-pocket maximums.

In 2019, **32% had less than \$2,000** in liquid assets among single-person privately-insured households.<sup>2</sup>

Among multi-person households where at least one member had private insurance, **20% had less than \$2,000** in liquid assets.<sup>2</sup>

**16%** of privately-insured adults say they **would need to take on credit card debt** to meet an unexpected \$400 expense, while **7% would borrow money** from friends or family.<sup>2</sup>

Healthcare costs for patients with complex diseases can add up quickly. For example, one study found that patients battling multiple sclerosis endured \$65,612 more in annual medical costs than those who do not have MS.<sup>3</sup> Patients requiring high-cost specialty therapies are more likely to delay or forgo needed care to avoid debt. Patients frequently cut back on essential expenses, withdraw money from retirement and savings accounts, and take on more credit card debt – all because they became ill.

Excessive costs force many patients to make difficult choices impacting their financial wellbeing. **A recent survey exposed the reality that 1 in 10 American adults hold medical debt, with millions owing more than \$10,000.** Collectively, approximately 23 million people currently owe medical debt totaling at least \$195 billion, almost \$8,500 per person.<sup>4</sup> The cost of healthcare is rising along with the portion patients are responsible for. In 2022, Medicare's Part B monthly premiums increased by the largest dollar amount in the program's history. **Beyond charity care and writing off bad debt, are there other opportunities for hospitals and health systems to help patients afford the care they deserve?**

# Make Treatment More Affordable & Accessible Through Philanthropic Aid

From a cost standpoint, it's easy to see how the current healthcare system impacts patients. Hospitals and health systems can tackle this challenge in an innovative way that helps both patients and their organization – philanthropic aid.

## VALUE FOR PATIENTS

Funded by foundations and life science organizations, philanthropic **patient assistance programs** provide copay assistance and free drugs to patients who can't afford treatment for cancer and hundreds of other complex disease states. In addition to self-pay patients, those with commercial insurance, Medicare beneficiaries without a supplemental plan, and Managed Medicare patients are also eligible for support. There are also social support programs that provide transportation, food, lodging, and other services to vulnerable populations. These programs effectively improve access to care by mitigating cost barriers and enabling patients to receive the care they need. For those who plan to seek care regardless of cost, patient assistance programs reduce financial distress, which has been proven to enhance patient outcomes and quality of life. For example, one national study showed mortality risk was significantly lower for cancer survivors who did not face medical financial hardship.<sup>5</sup>



## A Patient Assistance Story

Patient stories bring this challenging reality into focus. A patient living in Bangor, Maine, was suffering from advanced stage colorectal cancer with bone metastasis and unfortunately had no insurance. She was scared, worried about paying her bills, and contemplated if she should take her treatment or let nature take its course. When she received a program award to cover her high-cost chemotherapy drugs, she was so relieved to be able to afford medication she had considered forgoing: **"A huge weight has been lifted off of my shoulders. I can live a while longer to enjoy my grandkids."**

The value of philanthropic aid is immeasurable to patients and their families.

## VALUE FOR HOSPITALS AND HEALTH SYSTEMS

Healthcare providers focus on financial counseling and charity care, but patient assistance programs are an often-underutilized opportunity. Addressing financial distress improves patient satisfaction and overall experience. Effectively connecting patients with philanthropic aid delivers on the mission to help more patients. Organizations that excel at patient assistance are viewed as more trusted, which serves as an excellent brand differentiator. Sharing program success stories expands reach by encouraging patients who may not be aware of patient assistance to seek treatment with their organization. These programs also reduce drug spend, decrease uncompensated care, and resolve open A/R faster.

Yet even with all of these benefits, many hospitals and health systems do not fully optimize programs and are surprised to discover they could double or triple the impact of philanthropic aid with better tools.



**“ We have partnered with Atlas Health because they understand our resolve to help our patients have access to life saving treatment that they would otherwise forego due to affordability. Through automation, Atlas enabled us to make a larger impact by further reaching the vulnerable populations in our community.**

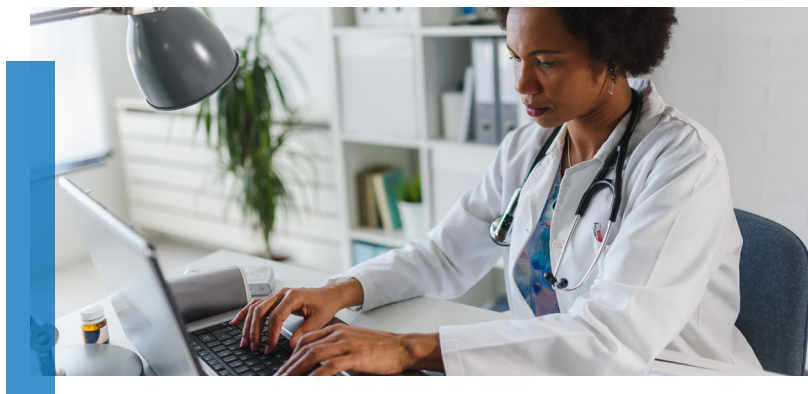
— John Jurczyk, President of St. Joseph Hospital and SVP of Covenant Health



# Delivering Philanthropic Aid to Those in Need

Connecting patients to philanthropic aid is a challenge. There are thousands of patient assistance and social support programs that provide over \$30B in funds every year. However, providers lack visibility into which patients need support and the specific programs that will help. Programs vary dramatically, with different eligibility rules, enrollment policies, and reimbursement processes. Available funds from programs fluctuate frequently and require real-time monitoring.

Many organizations attempt to navigate this complex market manually. Insufficient resources and technology investments often result in patients and reimbursement left behind. Inefficient operational logistics make running a productive and compliant patient assistance program more difficult. With so many complications, how can hospitals and health systems overcome these obstacles to fully leverage philanthropic aid?



**Fortunately, powerful, purpose-built platforms that advance health equity, reduce bad debt, and increase cash collections through philanthropic aid are now available. When evaluating patient assistance solutions, consider the following five criteria:**

1

**A COMPREHENSIVE DATABASE:** Artificial intelligence (AI) can screen patients for opportunities from a comprehensive database of over 20,000 programs. This uncovers diagnosis-based assistance, copay assistance, free drug, and social support programs tailored to each eligible patient's needs.

2

**EASE OF INTEGRATION:** Integration with EHR and billing systems ensures every opportunity is explored across any type of medical encounter or specialty prescription. Clearinghouse integration also enables staff to efficiently submit claims, track status, and log payments from one platform.

3

**ENHANCED AUTOMATION:** Automated program forms with EHR data can expedite enrollment and reduce stress for financial navigators, care coordinators, pharmacy technicians, advocates, and patients. Patient information, consent, and required documents collected digitally provide a better patient experience. This also reduces the need to download, print, scan, or fax.

4

**PRODUCTIVITY & COMPLIANCE:** Hospitals and health systems benefit from a single, centralized system to store all internal and external medical financial aid documents in one archive. This improves productivity for users who require similar documents across various programs and mitigates compliance risk.

5

**DRIVING OUTCOMES:** Technology delivers critical reporting and workflow alerts to track staff efficiency, ensure the maximum number of patients are supported, and quantify reimbursement secured. This level of detail is also helpful for Medicare Cost Reports, Community Health Needs Assessment initiatives, and 340B-covered entities.

## Optimize Patient Assistance

High-performing patient assistance programs need to be a top priority for hospitals and health systems as they impact mission, reputation, access, outcomes, and patient experience. These programs also support your bottom line through additional reimbursement, reduction of bad debt and write-offs, and lower uncompensated care. However, this effort is incredibly challenging without the right technology, workflow, and processes. Take a fresh look at how your organization approaches healthcare access and affordability – and take your patient assistance strategy to the next level.



## ABOUT ATLAS

Atlas Health automates philanthropic aid to improve access, affordability, outcomes and health equity for vulnerable populations. Through intelligent matching and enrollment to 20,000 philanthropic aid programs, healthcare organizations can improve patient outcomes and reputation, increase cash and reduce staff administrative burden. Learn more at [Atlas.Health](https://atlas.health).

### REFERENCES:

1. 6 Reasons Healthcare is So Expensive. Investopedia, January 31, 2022. <https://www.investopedia.com/articles/personal-finance/080615/6-reasons-healthcare-so-expensive-us.asp>
2. The Burden of Medical Debt in the United States. Matthew Rae, Gary Claxton, Krutika Amin, Emma Wagner, Jared Ortaliza, Cynthia Cox. Health System Tracker, March 10, 2022. <https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/>
3. New Study Confirms the High Costs of MS to Individuals and the US Economy. National Multiple Sclerosis Society. April 13, 2022. <https://www.nationalmssociety.org/About-the-Society/News/New-Study-Confirms-the-High-Costs-of-MS-to-Individ>
4. 1 in 10 Adults Owe Medical Debt, With Millions Owing More than 10,000. KFF Newsroom. March 10, 2022. <https://www.kff.org/health-costs/press-release/1-in-10-adults-owe-medical-debt-with-millions-owing-more-than-10000/>
5. Medical Financial Hardship Drives Mortality Risk for Cancer Survivors. Sarai Rodriguez. Patient Engagement Hit, April 25, 2022. <https://patientengagementhit.com/news/medical-financial-hardship-drives-mortality-risk-for-cancer-survivors>



1.888.566.6126

<https://atlas.health>



**FIERCE INNOVATION AWARDS**  
Healthcare Edition 2020  
Finalist

Featured In  
**Forbes**



**hfma**  
healthcare financial management association  
Innovation Award 2021

