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STATEMENT REGARDING NEW YORK TIMES STORY ON CHARITY CARE AT PROVIDENCE

RENTON, Wash., Sept. 16, 2022 – The notion that Providence intentionally takes advantage of those who are vulnerable could not be further from the truth of who we are. Serving those in need is the heart of our Mission. We are the largest provider of charity care in Washington state. And across the seven states we serve, we provided \$1.9 billion in community benefit in 2021. This includes \$271 million in charity care and \$1.2 billion in Medicaid losses.

Providence proactively communicates the availability of financial assistance in numerous ways and strives to engage with patients early to determine the need for assistance. However, it is not always possible to have these conversations in the moment given the urgency of some medical situations.

In such cases, we prioritize getting patients the care they need and follow-up with them after the fact regarding their bill and the options for financial assistance. Unfortunately, for any number of personal reasons, we may not always hear back from the individual.

If patients do not respond to tell us they need financial help, we proceed with the normal billing process, which includes a reminder on every statement about the availability of financial assistance and to contact us to apply. When patients do respond, we work with them to get them approved for assistance and adjust their balance accordingly. If we do not hear from the individual, the balance will eventually be written off as presumptive charity for those who are eligible.

That said, we are always looking for ways to improve, and when we fall short, we address it. For example, in shifting from a manual process to an automated one, there was an error in the implementation that caused some Medicaid patients to be sent to collections after 120 days. According to our policy, this should not have happened, and we fixed it as of December 2021.

We have also reviewed and improved our practices around the use of third-party agencies for collections. In recent years, we have gone from having 17 agencies to two, and have provided clear instructions to these agencies that they are not to engage in any aggressive tactics, such as:

- Reporting accounts to credit rating agencies.
- Garnishing of wages.
- Charging interest.
- Initiating lawsuits or liens against patients.

The intent of Rev Up, a program developed with the consulting firm McKinsey, was not to target or pressure those in financial distress. It aimed to provide patients with greater pricing transparency especially as more employers and insurers require patients to pay higher deductibles for care.

It also aimed to help us do a better job of collecting co-pays and out-of-pocket costs from individuals who have the means. We are required to collect these payments as part of our contractual agreements with insurers and per applicable laws and regulations. Getting paid is also essential to our ability to cover the cost of delivering care. With supply, pharmaceutical and labor expenses continuing to soar, it is more important than ever that we collect payment for services rendered from insurers and those who have the means.

We recognize the tone of the training materials developed by McKinsey was not consistent with our values. Over time, we modified these materials to be in our voice and to ensure we are communicating with each patient with compassion and respect. While we can't speculate on the motivation behind the Rev Up Ricky Halloween costume referenced in the Washington AG's filings, we can say it is not the culture we strive for and it does not represent who we are as an organization.

With regard to a decline in charity care levels, it's important to note that our Medicaid losses have simultaneously gone up. This is because many people who would have previously qualified for charity care are now covered by Medicaid thanks to the Affordable Care Act. Our community benefit levels have gone up by \$366 million since the pandemic began. We are incredibly proud that we have been able to continue serving those in need even as we've been on the frontlines of COVID-19.

In alignment with our Mission and values, we continue to support policies that make health care more accessible to vulnerable populations. Providence actively supported the successful passage of new charity care legislation in Washington state this year. We also continue to advocate for Medicaid expansion and have been actively engaged in efforts to keep patients insured as states go through the process of Medicaid redetermination.

For more information about Providence's commitment to community benefit, please see our [Annual Report to Our Communities](#). You can learn more about our financial assistance program [here](#).

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About Providence Providence is a national, not-for-profit Catholic health system comprising a diverse family of organizations and driven by a belief that health is a human right. With 52 hospitals, over 900 physician clinics, senior services, supportive housing, and many other health and educational services, the health system and its partners employ nearly 120,000 caregivers serving communities across seven states – Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington, with system offices in Renton, Wash., and Irvine, Calif. Learn about our vision of health for a better world at [Providence.or](#)