

The Healthcare Access Protection Initiative (HAPI) Ordinance

STRENGTHENING THE PUBLIC-PRIVATE HEALTHCARE PARTNERSHIP

- **The current public-private partnership in healthcare does not work in favor of the safety-net hospitals that bear the brunt of caring for poor and low-income individuals who cannot afford private health coverage.**
- **The reluctance of many hospitals with substantial financial resources to treat poor and low-income uninsured individuals keeps the onus of indigent care on safety-net hospitals (both private and public) that already care for a disproportionate number of patients without private health coverage.** When local private hospitals do not provide affordable care to the uninsured, safety-net providers, the Cook County health system in particular, are impacted, both in terms of increased patient load and increased financial burden.
- **The uninsured.** More than one million individuals living in the City of Chicago and the surrounding Metropolitan Area are uninsured. Fully 41% of these individuals earn just \$25,000 a year or less.
- **Hospital behavior toward the uninsured plays a *direct* role in access to healthcare and health outcomes.** Numerous studies have found that exorbitant hospital charges (which generally are many times cost), combined with aggressive collection practices discourages low-income, uninsured individuals from seeking medical care when it is needed. Accordingly, the uninsured often wait until they are sicker to get care, which results in more expensive care.
- **The uninsured have worse health outcomes than the insured.** Uninsured heart-attack patients have higher mortality; uninsured cancer patients are more likely to be diagnosed at late-stage and have shorter survival; uninsured patients with appendicitis are more likely to have a ruptured appendix; uninsured babies have a poorer survival rate; and uninsured trauma patients are more likely to die.

THE HEALTHCARE ACCESS PROTECTION INITIATIVE (HAPI) ORDINANCE

- **Purpose.** The purpose of the Ordinance is to (1) improve access to affordable medical care for poor and low-income uninsured County residents, (2) discourage aggressive hospital billing practices, which are a barrier to access to care, (3) improve the health outcomes of the most vulnerable County residents and (4) cover a portion of the cost of County-provided healthcare to the uninsured, as *the County provides care to a population that most hospitals prefer not to care for.*
- **Authority.** The Ordinance is an exercise of the County's regulatory powers granted by Article VII, Section 6(a) of the Illinois Constitution. The Ordinance does not involve any taxing powers.
- **Financial assistance requirement.** The Ordinance requires all general hospitals operating in the County to provide financial assistance to poor and low-income uninsured patients. Individuals earning 200% of the FPL or less must be provided care at fully-reduced charges; individuals earning between 200% and 400% of the FPL must be provided partial financial assistance.
- **Fee for failure to provide financial assistance.** Hospitals subject to the Ordinance must provide financial assistance at least equal to 4.5% of total hospital expenses. Hospitals not meeting this standard are required to pay the County a fee equal to the difference between the cost of financial assistance provided and 4.5% of the hospital's total expenses. All fees are paid into a newly created special fund to cover the cost of the regulation.
- **Safety-net hospitals.** Safety-net hospitals that care for a disproportionate number of poor patients without private coverage (Medicaid Disproportionate Share Hospitals (DSH)) are subject to a lower threshold (2.3% of hospital expenses).