

Study: An Oregon policy required hospitals to offer more financial assistance. Medical debt plummeted

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Oregon's financial assistance policy was associated with between 872 to 1,180 fewer people per county having medical debt in collections, according to a new study from Tulane University.

A policy in Oregon that requires nonprofit hospitals to provide more financial assistance to patients was linked to a meaningful drop in the number of residents with medical bills that end up in debt collections, according to a new study led by a Tulane University researcher.

The research, published in [JAMA Network Open](#), found that the share of county residents with medical debt in collections fell more in Oregon than in comparable Medicaid-expansion states that did not adopt similar requirements. Oregon's financial assistance policy was associated with between 872 to 1,180 fewer people per county having medical debt in collections.

The study also found Oregon hospitals provided more charity care — free or discounted care — during the first three years of the policy, which was implemented in 2019.

“If things stay as they are (with Medicaid cuts) medical debt will get worse, but states and hospitals can implement policies that help alleviate that burden on citizens.”

— Tatiane Santos

With Medicaid cuts projected to cause up to 16 million people to become uninsured by 2034, according to an [estimate by the Congressional Budget Office](#), the study outlines how states can alleviate the burden of potentially worsening medical debt on local communities.

“With these upcoming cuts to Medicaid, we found that hospitals that have the ability to provide more financial assistance could substantially reduce medical debt in their communities,” said lead author [Tatiane Santos](#), assistant professor of health policy at Tulane University's Celia Scott Weatherhead School of Public Health and Tropical Medicine.

Nonprofit hospitals must have a written financial assistance policy under federal law, but hospitals are not required to provide a specific level of aid. Oregon's policy set clearer rules aimed at creating stronger protections for patients. Oregon's policy extended financial assistance for people with household incomes up to 400% of the federal poverty level and prohibited hospitals from sending unpaid bills to debt collection agencies if the patient was not screened for financial assistance eligibility.

Researchers examined county and hospital data from 2015 to 2022, comparing Oregon with other Medicaid-expansion states without similar policies. They found

Oregon's policy was associated with a larger drop in medical debt in collections and charity care spending increased by between \$235,000 and \$637,000 per hospital from 2019-2021.

The study also found the policy's impact appeared to weaken in 2022, suggesting the effects may depend on how rules are implemented and enforced over time.

Santos said a key challenge is that many patients may not know they qualify for assistance — and hospitals may not consistently tell them.

“While this does not apply to all hospitals, there are many instances where a lack of oversight means hospitals are not proactively engaging patients and offering financial assistance,” Santos said.

Oregon has since amended its policy to improve accountability and transparency, requiring presumptive eligibility screenings which serve as automatic checks for available financial aid. A 2025 amendment to the bill also required more robust reporting of financial assistance data by hospitals.

While states such as Washington and Colorado have implemented similar policies, Santos said the study of Oregon's policy roadmap shines a light on how other states could implement financial assistance reforms.

“If things stay as they are (with Medicaid cuts) medical debt will get worse, but states and hospitals can implement policies that help alleviate that burden on citizens,” Santos said.