

## **An Arm and a Leg: A legal strategy for erasing billions in medical debt — that works—from a 60-second video.**

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*Note: Most of this transcript is machine-generated, so it's NOT letter-perfect. We're doing our best! Also, I've left off the list of new donors at the conclusion. (I spell some of them phonetically in the script, so I can try to avoid screwing them up, but you don't need to see that. Also, not everybody wants their name on the Internet.) - dw*

Hey there-- A few weeks ago, people started tagging this show on Twitter with links to a video from TikTok. It starts with this question.

**VOICE: What's a piece of information that you learned that feels illegal to know.**

Which is basically a prompt-- an invitation for folks to make what gets called a "stitch" on TikTok -- a video that starts with that prompt, and then stitches on a response. And the response here -- the information that feels illegal to know -- is...

**Jared Walker: Hospitals in America are nonprofits, which means they have to have financial assistance or charity care policy.**

We're looking at a white guy, early 30s, hipster mustache.

**Jared Walker: This is going to sound weird. But what that means is that if you make under a certain amount of money, the hospital legally has to forgive your medical bills. Let me show you how this works...**

And then he actually demos it-- in the 60-second video. Now we're looking at his computer screen-- showing Google.

**Jared Walker: type in the hospital name with financial assistance after it should be the top link let's check. What you want to do is look for financial assistance, applications and policies. That's checked up policy from here.**

Now, we're scrolling through a long document.

**Jared Walker:What you're looking for four is a sighting scale benefits right here, uh, zero to 300% of the federal poverty guidelines. They will forgive a hundred percent of your medical bills.**

**Dan:** That's this one hospital's policy-- every hospital sets its own guidelines... he looks up the dollar amount for a single person.

**Jared Walker: So if you make under that amount, uh, the hospital will legally forgive your medical bills. And if you're a larger household, you can check it out from here. If you want to test it out, I run a nonprofit that does this.**

**So a DM me and I will actually do it for you. Let's see if we can crush those medical bills.**

That guy is Jared Walker. The non-profit he runs--and where he's the only staff member-- is called Dollar For. (That's for like F-O-R.) And that TikTok video? It's been seen more than ten million times. I mean, you can see why I'd be interested.

This is An Arm and a Leg--a show about the cost of health care. I'm Dan Weissmann, I'm a reporter, and my job is to make this show entertaining, empowering, and useful.

And if you've been listening recently, you know, I've gotten VERY interested in the question of what rights do we have under the law, when we're dealing with the health-care-industrial complex, and how do we get those rights enforced?

So this? This idea that lots of us may have a legal right to get medical bills forgiven? And that word is getting around? This is SUPER timely. And could be kind of a big deal.

And just to clarify the legal basics: Federal law requires non-profit hospitals to have charity-care policies, and to make them public. And, presumably to follow them. That's all true.

As you can imagine, there are limits: The law doesn't say what the policies have to BE-- like, how generous. And this law only applies to non-profit hospitals. Some hospitals are for-profit. And lots of medical providers are not hospitals. And of course, lots of folks make too much money to qualify for charity care but not NEARLY enough money to pay the bills they get from hospitals.

There's more fine print, other limits but yes: A lot of people get a lot of bills from a lot of hospitals ... that they should be able to get forgiven. Because of this law. Which is news to a lot of us. Kind of exciting news.

Jared's story is super-interesting -- he's kind of halfway backed into the whole thing, over the course of more than eight years-- and what he's doing raises some big questions: How far could this go?

Here's where it starts. In 2012, Jared was working his way through college in Portland, Oregon, managing a couple of trampoline parks.

And one day, his wife got a phone call: Her aunt Jo died-- after a long battle with cancer.

**Jared Walker: about 10 minutes later, I get a phone call. My cousin goes into labor, seven weeks premature. The baby needs a heart surgery to live. And, nobody even knew. I mean, the bills had hadn't even come through yet, but everybody was, that was a big part of the conversation. I just thought, well, that doesn't, that seems dumb. Like, why are we talking about that?**

He also thought: I know we're not the only family having these conversations today.

And he started wondering: How could I help some of those other families out? It's worth remembering: this is 2000 and 12-- so GoFundMe isn't really such a big deal yet.

So he looked for a place to do some volunteering-- like for a group that helps people with medical bills

**Jared Walker:** But I was not able to find a single one that was just directly. You know, Hey, we'll pay the medical bills or we'll help with paying rent or putting food on the table or whatever

I tried to like give my time to it and realized that there actually wasn't a place to give my time.

**Dan:** And he thought. Huh. Maybe I could start something like that.

**Jared Walker:** it really was like, at the time it was, Oh, you know, let's, let's do this cool thing.

Um, but I didn't think I'd be devoting my freaking life to it. It was just like, this was going to, this was just going to be a fun little side project,.

**Dan:** This was his idea: Get a bunch of people to chip in a dollar a month, and pool that money to help a different family every month, to pay SOMEBODY's medical bills.

**Jared Walker:** and I remember people thinking it was kind of crazy. people were just thinking like, No, you go and get really big donors. Like that's what you do.

**Dan:** But Jared was like, I'm going for it. But-- one step at a time. He had the idea in April. In December, he put on a little benefit show at a local church to kick things off. The entertainment was pretty much slapped together.

**Jared Walker:** It was just like, uh, my friends and some like college students that had a band that wanted to play. So it was just a bunch of random things, but we just like promoted the heck out of it.

**Dan:** Jared says got maybe three hundred people there. The local TV news showed up.

**Jared Walker:** So I'm thinking, well, gosh, like, people dig this idea. Um, but then I started getting questions of like, Oh, well, are you a five Oh one C3 and who's on your board? And I'm thinking, okay, I don't know what the hell I'm doing. Like what, what is, uh, what is a five Oh one C3 like I had, I just had no idea

**Dan:** 501 c 3 is the section of the U.S. tax code that authorizes official charities -- and being a 501c3 is non-profit-speak for having an OK from the IRS to take tax-exempt donations. Having a board of directors is an IRS requirement.

Jared took a methodical approach to catching up. He gave away the money he'd collected to families he'd identified, and he stopped accepting more. But he started studying up and making plans in between classes and his hours at the trampoline park.

**Jared Walker:** I'm working on this on the side, you know, writing a business plan and creating, you know, a pitch deck and videos and just trying to keep at it.

**Dan:** For like two and a half YEARS. Then...

**Jared Walker:** I just decided, okay. If I'm going to do it, I'm going to freaking do it. I'm going to quit my job. I'm going to go for it. Um, so that's, that's what happened. We launched in August, 2015.

**Dan:** Dollar For wasn't set up to pay him a salary at first. He and his wife had some savings, and for a while they were basically crashing in her parents' basement. And he took little side gigs.

**Jared Walker:** I was bartending at night and I was, working like events and just hustling around trying to get some money wherever I could.

**Dan:** And he was collecting dollars one at a time, and finding families who could use some, taking referrals from social-service agencies. It worked. In Dollar For's first full year of operations, they gave away 80 thousand dollars.

And this one time, it seems like Jared actually used this charity-care mechanism to get debt forgiven. Accidentally. He'd raised money for a young woman, but it wasn't enough to cover the whole hospital bill.

**Jared Walker:** I was doing my thing. I called the hospital, you know, trying to talk this bill down, trying to figure this out. And I'm telling the whole situation.

And, the hospital was like, Oh, what's the address? We'll mail you this packet. And, um, was like, okay. So we fill it out. And that family called me and was like, Oh, they basically wrote off the debt and I'm just thinking, Oh, that's awesome. Some donor at the hospital foundation or something must've just said, Oh, I'll cover the bill or something like that. I mean, it really did not sink in at all.

**Dan:** And then he got a new board member. Eli Rushbanks

**ELI:** I'm a consumer-protection lawyer,

DAN: who had a very definite idea of what he wanted to do.

In the course of his consumer-protection work, Eli had picked up on the legal mechanism that Jared eventually distilled into a TikTok video: Non-profit hospitals are required to do charity care, and you can hold them to it.

**Eli Rushbanks:** I had a client and I was beating my head against the wall,.And I just stumbled upon this administrative code that referenced charity care and pulled on that thread and

**Dan:** Suddenly, what had looked like a hopeless case... was done. Debt cancelled. He was like, THIS IS A THING.

**Eli Rushbanks:** I was trying to shout about this from the rooftops.

**Dan:** Other attorneys were not super-encouraging.

**Eli Rushbanks:** They didn't know anything about it. They didn't really get it. They kept telling me, I don't think there's a practice there because if the clients are already in debt, they

**probably can't pay your fee. So like these kind of older mentor attorneys, when I'm a new attorney, trying to start where we're trying to steer me away from it.**

**But I would tell I was just vocal about it. This is super effective. Everybody needs to know about this.**

**Dan:** And eventually, somebody said, "You should meet this guy Jared." They met for coffee, and Eli agreed on the spot to join the board. He thought Jared's group Dollar For was basically a perfect vehicle for using these laws.

**Eli Rushbanks:** what I was trying to do. In private practice was not nearly as effective..

**Dan:** Jared didn't immediately see it. but Eli seemed like a good dude.

**Jared Walker:** you know, having an attorney on, on the board cause like, I, I don't know what the hell I'm doing. So our values definitely aligned from the first meeting. So I was like, yeah, dude, like, if this is a thing, then let's explore it. You know?

**Dan:** . Jared was being polite. I mean, he wanted Eli to join the board.

**Jared Walker:** at that point I'm still thinking like, okay man, like this isn't real, you know? Yeah.he was like, no, Let me show you how this can work.

**Eli Rushbanks:** I said, well, the next person you get in, then my way we'll go through the process. We'll see if we can get that debt forgiven.

**Dan:** Guess what? It worked. Jared remembered that case he'd worked on earlier.

**Jared Walker:** I was like, man, this, this is weird. Eli, I think I did this on accident, like before

**Dan:** OK! The light's going on. Then they do it again, and it works again.

**Jared Walker:** He got a couple of bills to go away and I'm thinking, what the hell have I been doing this whole time? Um, so once Eli kind of showed me that I was like, okay, well we're changing our model real quick.

**Dan:** They took their time-- they wanted to go big. Eli had a background as a web developer.

They Compiled the charity-care policies from all the local hospitals, and built a website where you can plug in your income, and pick your hospital off a menu,

**Eli Rushbanks:** , and it would tell them if we thought they would qualify and for exactly how much, and then it would send them through. And we'd kind of walk through the walk through the application.

**Dan:** The website went live at the beginning of 2019. That year, Jared says they worked with maybe 80 or a hundred families and helped them through the process. Then in 2020, he says that number about doubled. He estimates they helped make 2 million dollars in charity care happen. And then, late in 2020...

**Jared Walker:** My little sister, grace was like, yo, you need to get on tik-tok and I'm thinking, no freaking chance. Am I getting on Tik TOK? I don't want another platform to worry about. I don't want to have to create more content. I hate social media.

**Dan:** But they already had a freelancer who was already helping them post to Instagram. They let the guy make a TikTok-- a kind of "We are Dollar For" promo video.

**Jared Walker:** So just, you know, throw it out there. And I was kind of like, Oh cool. You know, 500 people have seen this video. That's great.

**Dan:** Then, Jared saw the prompt

**What's a piece of information that you learned that feels illegal to know.**

**Jared Walker:** And right when I saw that a bunch of people were doing these, these stitches on it saying, Oh, like basically like taxes, poles was kind of the big popular one that people were talking about about on it.

And I'm looking at it and I'm thinking, Oh, I like charity care and financial assistance. So, um, I was at the office late one day and. Made it a tick tock.

**Dan:** That was a Friday.

**Jared Walker:** And I woke up on Saturday and the video had like 50,000 views, which I was like, just that's, you know, a hundred times what I thought it would ever be. So, um, and then in the next it's like 10 minutes, it had a hundred thousand views and I'm like, Oh wow,

**Dan:** And now it's ten million. And that's just on TikTok and Twitter. I haven't figured out how to track views on Instagram yet, but Jared says somebody with millions of followers posted it there too, so OK.

Because of course, THIS IS A BIG DEAL.

**Jared Walker:** millions of people now have declared bankruptcy over medical bills that they legally didn't even have to pay if they knew about this. And that's like, That should upset people. Yeah. And I think, and I think that that's why it just went crazy on, on Tik TOK.

**Dan:** And it raises some REALLY interesting questions. Mainly, now what? How far can this go?

And what we DON'T know about that yet? That's the interesting part.

That's right after this.

This episode of an arm and a leg is a co-production with Kaiser health news. That's a nonprofit news service covering healthcare in America. Kaiser health news is not affiliated with the big healthcare outfit. Kaiser Permanente will have a little more information about Kaiser health news. At the end of this episode.

So, OK-- Jared and Dollar For have a super-viral video-- what next?

Well, first they've got a LOT of messages to answer. Which they asked for.

**Jared Walker:** in the video I say, yeah, test me like. Shoot me your info and I'll, I'll do this for you. Yeah, that really backfired. And now,

He says he's gotten thousands and thousands of messages.

**Jared Walker:** we're just scrambling to try and respond. My niece is like 16. I was like, yo, here's my credentials. Get on here and start replying to people. Copy and paste this message, and I'm just rallying the troops.

**Dan:** So, for instance, Jared's been booking lots of hours with local virtual assistants, thanks to one of his board members, who runs the company they work for and is cutting Jared a deal. They're moving so fast, Jared says they're running into a new problem

**Jared Walker:** after you reply to, to a certain amount of messages on tick tock, tick, tock thinks you're a bot and they lock you out.

**Dan:** Yeah, oops! He says he's working on it. Meanwhile, messages are coming in from instagram, and twitter, and email too.

But Jared says this kind of follow-up-- it's necessary. It's not enough just to tell people, "Hey, you have these rights." Because the follow-through takes work-- it takes patience, and it helps to know what you're doing.

**Jared Walker:** the hospitals are gonna make you, they're just going to make you jump through these hoops , you know, Hey, we, we want these pieces of proof of income and then you send them in and they say, well, we want, we want this in this too. And then, Oh, well, okay. You know, send us this. You're doing this snake, they'll mail things back and forth. It's like, this is crazy. Like , this should be easy, but not easy.

**Dan:** It's gotten easier for Jared-- he's done hundreds of them. He says he can get some cases dealt with in an hour-- if the person has sent in all the right info on the first go, and if the hospital is playing nice. But that's after a LOT of practice. And: This is his job, not something he's stealing time to do. And he's not in a medical crisis himself.

**Jared Walker:** if you just got diagnosed with cancer or, you know, you just need an advocate, you just need someone that can help you and hold your hand through it. That's what we want to be.

**Dan:** Jared and Eli say they're just starting to think about how to scale up.

Dollar For is a really tiny operation-- Jared is the only permanent person on staff. He was working out of coffee shops until the pandemic wiped those out. The pandemic also made office space cheaper, so he's rented a little spot a few blocks from home.

And right now, he's got a LOT of TikTok messages to answer.

So, thinking about how far this could go, one question is: How can Jared and Eli scale up?

And ANOTHER question-- a bigger one, really-- is: how much of this stuff is there to do? How much medical debt could be written off-- CRUSHED, like Jared says-- if everybody just applied for it, especially with someone like Jared in their corner.

Like, what's the universe?

I've done some poking around. And the answer-- the answers, really-- are what you might expect

Like, number one: Nobody really knows, but

Number two, from what we do know... it's definitely A LOT. Like, a lot a lot.

Let's start with what we do know: In 2019 our pals at Kaiser Health News published a story: patients who are eligible for charity care get big bills instead.

This is not based on a few anecdotes. The reporter, Jordan Rau-- he pulled tax records for thousands of non-profit hospitals. And almost half of them had told the IRS: "Oh yeah, that's something we do. We send bills to people who could've qualified for charity care under our own policy"

Of course the details were heartbreaking and enraging. One hospital told its workers: Never voluntarily offer patients a charity care application. If the patient asks you for one, you blow off that request and insist that they give you a deposit. You do that THREE TIMES-- if they ask you a fourth time, then OK, give them the application.

The state attorney general sued that hospital-- some states have their own laws about charity care-- and got a 22 million dollar settlement for patients. The lawsuit said that even when patients did manage to get charity care applications, the application itself was so complicated that half of them were rejected.

One former patient who talked to Jordan said it was, quote, "like a book you had to fill out." She remembered a question about the make and model of her car. She said "I was like, 'You want me to sell my car to pay my hospital bill?'"

A former employee there talked to Jordan and called it a moneymaking system. She said, "People would be crying at registration desks."

I mean, of course they were. Some of these hospitals went on to throw folks into collections, or even sue them.

You may remember a story we did about a journalist named Wendi C Thomas from Memphis-- she called out the biggest hospital in town for suing thousands of patients.

And her reporting caused them to back down, actually -- JOURNALISTS. I love it.

According to the numbers in Jordan's story, it looks like that hospital itself believed that HALF of the folks it was suing ... qualified for charity care. Under the hospital's own policies.

I mean, I'm not here to piss you off, but when we look at how much financial assistance hospitals COULD be giving out, under their own legally-mandated charity care policies? It's a LOT.



And: We really don't know how much. The IRS docs Jordan pulled? The IRS only requires hospitals to report two things there: One, how much they write off every year as "bad debt" -- in other words, bills the hospital has given up on collecting.

And two, how much of that "bad debt" amount was for bills to patients who -- by the hospital's own estimate-- probably qualified for charity care.

So, as you can see, there's a lot that could be missing here.

Like for instance: What about money the hospital actually COLLECTED from patients who would've qualified for charity care , but didn't get it? They found a way to pay their bill, or part of it?

None of that is counted here, and I talked with experts: Nobody knows how much that could be. There's no requirement that hospitals track or report it.

Given how aggressive some of these places are about collecting, I'd guess that number is... pretty high.

And there's this: These are just the hospital's estimates -- their say-so-- about how much they could've written off as charity care.

And here's where it's worth looking at the other side of the numbers from those IRS reports. So, 45 percent of non-profit hospitals told the IRS that they were pretty sure they'd sent big bills to patients who probably qualified for charity care?

Just doing the math here-- if 45 percent of hospitals said, "yeah, we do that," that means 55 percent of hospitals said they did not do that AT ALL. The IRS asked, how much of your "bad debt" could've been forgiven as charity care? And 55 percent of hospitals said ZERO.

Here's how one expert describes that kind of answer:

**Keith Hearle:** if you're putting a zero down, that kind of means that you're. Saying to the outside world that your financial assistance program is perfect. That you're finding everybody who might've qualified for charity care and they're getting it.

**Dan:** That's a consultant named Keith Hearle, and when I say expert, I mean: He's a guy that regulators like the IRS hire to help them make and enforce their rules in the smartest way. AND he's a guy that hospitals hire to help them make sure they're COMPLYING with those rules {in the smartest possible way}.

This idea that 55 percent of hospitals are doing a PERFECT job of finding everybody who might qualify for charity care, and making sure they get it? It sounds... unlikely to me. However, Keith says some hospitals DO go out of their way to find people who qualify for charity care and to make sure they get it. He says there's even software they use to check, "Hey, is this person poor? Let's write off their bill"

Keith says there are at least a couple solid business reasons for hospitals to do this. One is, some hospitals ask themselves:

**Keith Hearle:** why are we going to spend the money staffing, collections agency, all that, those resources to go after collecting bills, where we just know it's unlikely that we're going to actually collect anything .

**Dan:** In other words: Trying to squeeze blood from a stone isn't a really profitable activity. It's easier to just write it off as charity care to start with-- and it makes you look good.

And Keith says there's a second reason to document a bill as charity care instead of bad debt. The feds actually offer a reward to hospitals that do more charity care.

**Keith Hearle:** it's a pool of dollars. I think of it as like a pie.

**Dan:** It's a 12 billion dollar pie. The more charity care you do, the bigger your slice. And you only get pie if you do more charity care than most hospitals.

So if you've got a bunch of bills you'll never collect on anyway, counting them toward charity care at least gives you a shot at getting some pie.

And Keith says, of course, hospitals have other reasons NOT to book too much charity care. He says you don't want to get a reputation as being the most generous place in town. Because then everybody will come. Great, right?

All of this is to say: The amount of money that hospitals COULD be forgiving-- under their own legally-mandated policies-- but aren't? The amount of suffering that could get short-circuited here? It's HUGE

Really huge. Jared says the messages he's gotten so far document tens of millions of dollars in bills that he thinks could be forgiven.

And this too: He says he's already seen more than a million dollars in bills actually GET forgiven. Just a few weeks after he put out that TikTok video.

**Jared Walker:** I mean every morning I wake up, people message us saying, Hey, I'm sorry, your tick tock changed my life. I had \$15,000 in medical bills and the hospital just sent me a letter it's gone. and then there was one that was like 260 grand, something like that.

**Dan:** And then there's what he's already been able to do, because he knows his way around-- including SOME of state-specific laws that give us even more rights.

**Jared Walker:** here's a, it's a crazy, crazy thing in Washington. This literally happened yesterday. Um, one of the virtual assistants that I, that I worked with, she had some medical bills and she'd been on a payment plan for the last two years.

Um, she qualified for charity care hospital, wrote her check for about five grand. She got it yesterday and they wrote off the rest of the debt. So it's, you can't do that everywhere. You can't do that in a lot of different States, but in Washington, if you have been on that payment plan, I will get you that money.

So yeah. Jared? He's overwhelmed... and encouraged.

Here's how he closed out our last conversation

**Jared Walker:** we're going to keep plugging away and I'm excited. We're gonna help a lot of people and, uh, hopefully we can get some funding to scale what we're doing. Cause shit's wild.

**Dan:** THAT IT IS. And I love this story so much.

Jared's organization is called Dollar For. That's dollar F-O-R. The website is dollar for dot org. They're on TikTok, and Instagram, and other social media.

I'll be keeping an eye on them, FOR. SURE.

And: None of this is a total fix for what ails us, but holy cow, man: We keep finding these little pockets of wiggle room, stuff we can do to help ourselves and help each other, and I just love getting to do this show. Thank you for listening, thank you for supporting the show. Because of you, we're here every two weeks with a new episode, for the duration. Thank you!

And: Thank you for being my eyes and ears. I learned about this story because of you: The day after Jared posted his video, you tagged me on Twitter, and I got email from you too. My inbox is full of tips, of horror stories, and of people saying, "YES. How can I help?"

And you have some great ideas. It's gonna take me a minute to catch up, but I'm working on it.

Meanwhile, you have no idea how much you are helping already. Please keep it up. Arm and a leg show dot com, slash contact.

I'll catch you in two weeks.

Till then, take care of yourself.

An arm and a leg is produced by me, Dan Weissmann, and edited by Marian Wang. Daisy Rosario is our consulting managing producer. Adam Raymonda is our audio wizard. Our music is from Dave Weiner and Blue Dot Sessions.

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This episode of an arm and a leg is a co production with Kaiser Health News. That's a nonprofit news service about healthcare in america, an editorially independent program of the Kaiser Family Foundation. Kaiser Health Hews is not affiliated with Kaiser Permanente, the big healthcare outfit. They share an ancestor. This guy, Henry J Kaiser. He had his hands in a lot of different stuff.

Really different. Poured concrete-- like for the Hoover Dam. Smelted aluminum. Built ships. Owned a bunch of TV stations. Busy guy. When he died, more than 50 years ago, he left half his money to the foundation that later created Kaiser Health News. You can learn more about him and kaiser health news at arm and a leg show dot com slash kaiser.

Diane Webber is national editor for broadcast and Taunya English is senior editor for broadcast innovation at Kaiser Health News. They are editorial liaisons to this show.

Thanks to Public Narrative -- a Chicago-based group that helps journalists and non-profits tell better stories-- for serving as our fiscal sponsor, allowing us to accept tax-exempt donations. You can learn more about public narrative at [www dot public narrative dot org](http://www.dotpublicnarrative.org).

Finally, thank you to some of the folks who have pitched in at arm and a leg show, dot com slash support.

Thanks this time to...