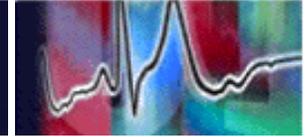




ROBINSON & COLE LLP

Health Law Pulse



Hospital Collection Practices and Bed Funds Challenged

On July 29th, three individuals filed suit against Yale New Haven Hospital (YNHH) challenging YNHH's policies and practices regarding charity care and billing and collections against underinsured and uninsured individuals. The 18 count complaint seeks class action status on behalf of at least 10,000 individuals who are at or below 250 % of the federal poverty guidelines and who have been or will be subject to YNHH's collection practices or were not adequately notified of available hospital funds to pay for medical care.

The lawsuit raises six causes of action against YNHH: 1) violation of Conn. Gen. Stat. § 10a-509b (The Hospital Bed Fund Statute); 2) breach of charitable trusts or uses; 3) breach of contract; 4) breach of implied contract; 5) misrepresentation and concealment; and 6) violation of Conn. Gen. Stat. 42-110a (the Connecticut Unfair Trade Practices Act).

In summary, the lawsuit alleges that YNHH charges patients who have no health insurance or who have inadequate health insurance more than it requires third-party payers (private insurance companies or governmental programs) to pay for the same services. The plaintiffs allege that YNHH bills them for "gross charges," while accepting as final payment lesser amounts from third-party payers. The lawsuit also alleges that YNHH imposes improper restrictions on access to free bed funds and that YNHH's collection practices involve payment plans and agreements that frequently result in payment of interest amounts that exceed the original charges for hospital services.

Based upon these alleged activities by YNHH, the plaintiffs allege that YNHH has breached its fiduciary duty and has breached implied and express contract provisions by charging and attempting to collect amounts in excess of reasonable prices for services, and that such conduct constitutes unfair or deceptive trade practices.

The allegations in this lawsuit mirror those made in a series of lawsuits that have been filed by prominent plaintiff's class action lawyers across the country against hospital systems. Interestingly, the plaintiffs in the Connecticut action are represented by The Yale Law School legal clinic.

If you would like a copy of this complaint or if you would like to discuss these issues in more detail, please contact Ted Tucci at 860 275-8210 or Lisa Boyle at 860 275-8350.

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