



Medical Debt & Collections in WI

Restarting the Collections Machine

October 2022

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About ABC for Health:

ABC for Health is a Wisconsin based nonprofit public interest law firm dedicated to health equity & social justice.

ABC for Health's mission is to provide information, advocacy tools, legal services, and expert support needed to obtain, maintain, and finance health care coverage services.

Executive Summary

The impact of medical debt on low-income Americans is staggering. Far too many families face credit issues, convoluted patient assistance programs, and a mind numbing bureaucracy, often with no help. A recent report from Kaiser Health News and NPR revealed that over 100 million people in America are saddled with medical debt.¹ A separate survey conducted by West Health and Gallup showed that 98 million people have deferred treatment or skimped on essentials because of medical debt.² Like many issues, the global COVID-19 pandemic exacerbated medical debt, access to care and coverage, and equity issues, especially for vulnerable, low-income families. Many are reaching a breaking point.

ABC staff and student research identified a sharp uptick in medical debt lawsuits from certain providers in late 2021 and early 2022. These providers include a mix of small non-hospital providers (which may be for-profit entities), such as ER doctor groups and ambulance companies, small and large hospitals, and some hospital systems. After pausing collections actions during the pandemic, some are “restarting the collections machine.”

Data Highlights

- Of the 29 providers studied, 19 have restarted collections actions after pausing during the COVID-19 pandemic.
- Of those, 15 filed actions at rates *higher* than their pre-pandemic levels. Another 2 will likely get there soon.
- The 29 providers identified in this report combined to file over 400 lawsuits against patients in January 2022 alone.
- While large hospital systems dominated the data before the pandemic, recent data shows more litigation from smaller hospitals, clinics, physician groups, and other smaller entities.
- Most larger systems we reviewed continued collection litigation on pace with previous report.



Restarting the Collections Machine

Background

Over the past several years, ABC for Health Inc. (ABC) conducted research on medical debt and collections lawsuits in Wisconsin to help better understand the medical debt crisis for vulnerable patients, and recommend practical solutions to end such practices. In [June 2021](#) and [December 2021](#), ABC issued reports on our key findings on collections actions filed in 2017 through 2020. Our research exposed an often indifferent medical debt collections system that profits by exploiting low income patients who cannot afford their medical bills or secure needed legal help.

We found in our sample of over 10,000 circuit court records that fewer than 1% of patients sued for medical bills in collections had legal help. The vast majority of judgments secured by hospitals were default judgments (the judgments were entered solely on the basis of the uncontested hospitals' legal assertions).

Medical debt collection actions and lawsuits against patients continued during the COVID pandemic at several Wisconsin hospitals, health systems, and health care providers. These providers continued to sue patients for unpaid medical bills, despite widespread efforts by state and federal officials to provide flexible eligibility for Medicaid, ACA Marketplace coverage, and certain COBRA requirements – policies which led to a much-needed increase in healthcare coverage in 2021.³ Other systems, however, significantly reduced or in some cases paused their rate of litigation in 2020 and 2021.

The slowdown in collections by some providers was good news for patients in Wisconsin, but as our analysis noted, certain systems were poised to jump-start collections activity after public scrutiny and press inquiries subsided. In fact, our latest research suggests some providers who paused collection actions early in the pandemic have fully resumed collection activities. We call this the “restarting of the collections machine.”

The Data

After pausing collections actions during the pandemic, some are ‘restarting the collections machine.’

We used Wisconsin’s Circuit Court Access Program to gather data on the rate of litigation of 29 Wisconsin healthcare providers over the past six years. We compared litigation rates in 2017-2019, before the COVID-19 pandemic, to rates in the first six months of 2022. For more information about how these providers were chosen, see the “Methods” section of this report.

As we’ve previously noted, many providers stopped or slowed litigation during the pandemic. However, certain providers now seem to have returned to rates *nearing or exceeding* their pre-pandemic levels. The tables herein show litigation rates for some particularly litigious Wisconsin healthcare providers in 2022, compared to the pre-pandemic rates from 2017-2019. The rates are tabulated in cases filed per month.

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Introduction

The medical debt landscape changed during the pandemic, and in many ways, this change improved the situation for some patients:

- The extension of the COVID-19 Public Health Emergency created new pathways to help low-income people obtain and maintain Medicaid coverage.⁴
- The No Surprises Act went into effect on January 1, 2022, banning certain kinds of surprise medical billing – a significant and largely unfair driver of medical debt.⁵
- The Consumer Financial Protection Bureau vowed to make medical debt a priority, suggesting medical debt should not belong on credit reports at all.⁶ Perhaps in response, the three major credit bureaus (Equifax, Experian, and TransUnion) announced changes to medical debt reporting that would remove a significant amount of medical debt tradelines from credit reports.⁷

Despite changes in 2020-21, more research, client assistance, and policy change is needed to fully address patient related medical bills and debt issues. For example, the No Surprises Act fails to

Holly's Story

"Holly" lives in rural Wisconsin. In December 2020, she gave birth to "Gavin," born with severely low blood and oxygen flow to his brain. He was airlifted to a major city for emergency treatment where he was stabilized and treated. But Holly soon received a bill for over \$30,000 for Gavin's air ambulance ride. The air ambulance provider didn't honor the hospital's financial assistance award (despite being a part of the hospital), and they were "out of network" for Holly's insurance. Holly's insurance eventually paid about half the amount on the bill, but the air ambulance company told Holly they would continue billing her directly for the rest of the charges, a practice called "balance billing." Holly was unable to investigate the insurance payment as the insurer failed to provide her with a copy of her plan documents, as required by law. Meanwhile, Holly's bill went to collections. While an appeal with the insurer was still pending, her attorneys at ABC worked with insurance regulators and convinced the air ambulance debt collector to accept the insurance payout as full payment for the bill. Now Holly could finally put this bill and 2 years of stress behind her. If the No Surprises Act had been in effect at the time, the air ambulance company could not have balance billed Holly.

regulate ground ambulance services, a major source of surprise bills.⁸ The changes to medical debt reporting won't affect the majority of medical debt in terms of dollar amounts, and the impact of the changes are felt less by low-income, Black, and Hispanic communities that are in most need of relief.⁹

On top of this, pandemic-related policy changes – both private and governmental – will soon end. The eventual end of the COVID-19 Public Health Emergency will mark the end of Medicaid coverage for many people who may then need to transition to other coverage options like the Marketplace.¹⁰

The pandemic brought unprecedented hardship to low-income families in Wisconsin, and some are only just beginning to recover and rebuild, while others are still feeling the effects. It is against this backdrop that ABC identified a resumption in medical debt collection and litigation activity by certain Wisconsin healthcare providers.

Restarting the Collections Machine

Summary Recommendations & Next Steps

Medical debt lawsuits pit unrepresented patients against a coordinated medical debt collections industry. Patients face wage garnishments or liens to pay their alleged debts, all because they needed medical care or services. While the impact of the COVID-19 pandemic is still being felt by Wisconsin families, ongoing collections actions increase stress and harm the communities served by medical providers. Medical debt lawsuits by medical providers should be a rare exception and not a commonplace tactic against people who can't afford their medical bills.

ABC for Health encourages hospitals to end inequitable billing and collections practices, and instead focus on common sense strategies that proactively help patients obtain and maintain coverage for needed medical care services and prescription drugs. We recommend that providers:

- End all collection referrals
- Terminate all collections litigation against patients
- Create financial assistance policies that eligible patients can use and understand
- Amend billing and collection policies to minimize confusion and promote equity for patients
- Provide and/or improve staff training to help patients secure and maintain coverage through programs such as Medicare, Medicaid, and the ACA Marketplace
- Promote community benefits and health by reducing the stress and burden of medical debt

Medical debt lawsuits by medical providers should be a rare exception.

Looking Ahead:

ABC for Health will continue to research and monitor medical debt collections practices in Wisconsin. We will also continue our investigation of other concerning medical billing practices.

Chelsea's Story

21-year-old "Chelsea" is a BadgerCare+ recipient. She had surgery that required anesthesia, but the anesthesiologist failed to file a claim with BadgerCare and instead attempted to bill her directly, in violation of Medicaid regulations. After Chelsea failed to pay the illegitimate bill, the provider filed suit and won a default judgment. Chelsea never even knew about the lawsuit—service was mailed to the wrong address. She only found out a year later, when she received a notice about a wage garnishment process in order to pay the illegitimate debt. Chelsea's story is likely not unique – how many other illegal or erroneous medical bills are being given the air of legitimacy by uncontested default judgments?

Medical Debt & Collections in WI

Data Table & Trends

As the data indicates, most of the providers studied stopped or significantly slowed litigation at some point during the pandemic, but as of late 2021, restarted and in some cases, *significantly increased* the rate of their debt collection litigation. The data for 2022 represents just the first 6 months of collections activity.

Provider	Slow/Stop Date	Resume Date	2017-2019 Rate	Jan-Jun 2022 Rate	% Increase
Assoc. of Hospital Anesthesiologists SC	3/27/20	11/15/21	1.71	24.50	1334%
Central WI Radiologists	1/13/20	1/10/22	0.79	8.83	1016%
Southwest Health Center	3/27/20	12/22/21	2.81	24.33	767%
Memorial Hospital of Boscobel	2/28/20	11/17/21	0.86	5.50	529%
Emergency Medical Assoc. LLP	3/16/20	1/4/22	4.97	30.17	507%
Prairie Ridge Health	1/24/20	11/15/21	1.08	6.50	500%
Forefront Dermatology SC	3/27/20	12/27/21	2.54	12.00	372%
St. Joseph's Community Health Services Inc.	11/8/19	12/27/21	0.44	2.00	350%
Menomonee Falls Ambulatory Surgery Center LLP	1/20/20	12/31/21	0.94	3.17	320%
North Shore Fire Dept	7/1/19	1/3/22	0.28	1.17	320%
Wisconsin Institute of Urology	3/20/20	11/15/21	0.81	3.33	314%
Lakeshore Community Health Care Inc.	3/20/20	12/28/21	0.42	1.67	300%
Green Bay Emergency Medicine Services SC	3/27/20	12/28/21	7.83	18.67	138%
Gold Cross Ambulance Service Inc.	3/20/20	11/15/21	3.36	5.33	59%
Medical Services Inc.	12/20/19	1/10/22	1.46	2.17	49%
Spooner Health System+	n/a	n/a	0.97	1.33	37%
Monroe Clinic*+	n/a	n/a	14.83	19.67	33%
Door Co Memorial Hospital*	3/31/20	11/22/21	3.56	1.83	-48%
Moundview Memorial Hospital	10/5/20	11/10/21	8.33	3.50	-58%
Health Payment Systems*	3/31/20	6/21/22	35.33	10.67	-70%
Infinity Healthcare Inc.	3/27/20	12/28/21	35.81	10.00	-72%

Key:

Provider/Hospital systems are shaded in blue. While large hospital systems dominated the collections data before the pandemic, recent data shows more litigation from smaller hospitals, clinics, physician groups, and other smaller entities, often not subject to the same regulations (IRS 501r) or scrutiny.

*Significant increase in cases filed in June/July 2022 (data reflects only cases filed on or before 6/30/22)

+Never stopped or significantly slowed litigation during the pandemic

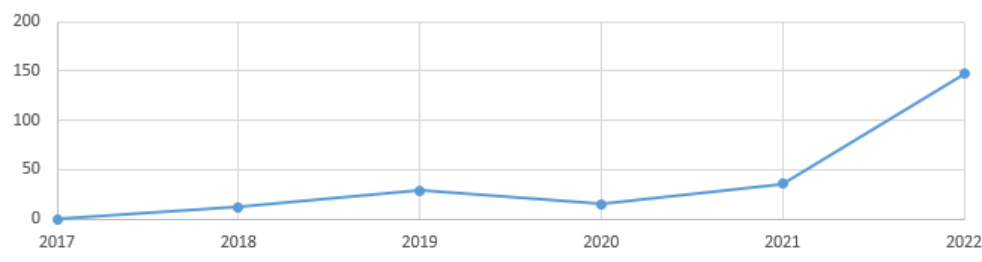
Restarting the Collections Machine

Data Review

ABC for Health gathered new data on hospital systems not studied in our previous reports. Certain systems resumed collections in the first six months of 2022 at an exorbitant rate.

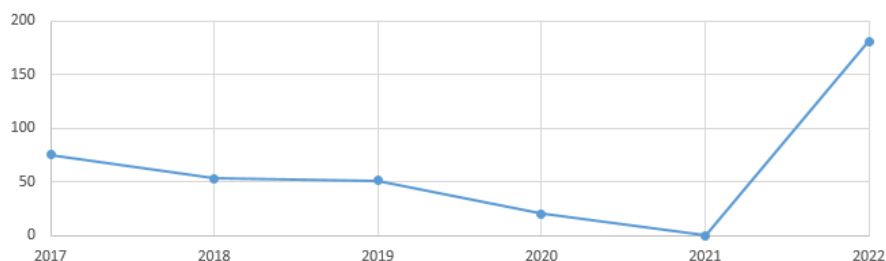
Association of Hospital Anesthesiologists SC: AHA continued filing lawsuits during the pandemic, and then had a sharp increase in cases filed in the first 6 months of 2022, an increase of 1334% over its pre-pandemic rate.

Year	2017	2018	2019	2020	2021	2022 (Jan-Jun)
Cases Filed	0	12	29	15	36	147



Emergency Medical Assoc. LLP: Emergency Medical Associates stopped filing lawsuits in March 2020. They resumed collections in 2022 at a much faster pace than pre-pandemic filings—an increase of 507%.

Year	2017	2018	2019	2020	2021	2022 (Jan-Jun)
Cases Filed	75	53	51	20	0	181



Gwen's Story

"Gwen" was hospitalized in December 2021 in relation to a flare-up of a chronic illness. She amassed over \$20,000 in bills that were not covered by her insurance. She submitted a financial assistance application shortly after her stay. But the hospital failed to immediately process the application, in part due to numerous missed communications and erroneous calculations. Gwen also had bills from other providers that normally honor the hospital's financial assistance award, but without an official determination from the hospital, those bills were sent to collections. That's when ABC got involved. Finally, in late July 2022, after months of persistence & perseverance, Gwen received her financial assistance award and got relief from her medical debt!

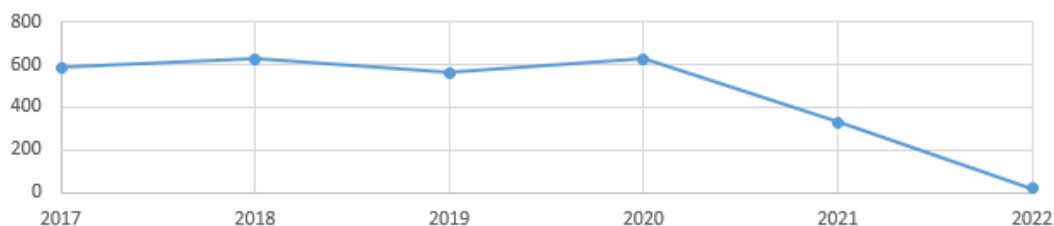
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Data Review - Continued

ABC for Health also gathered and analyzed data from the hospital systems studied in our previous reports. Certain systems continued a policy of suspending legal actions in 2022, including: Ascension, Aurora, Children's, Froedtert, Froedtert South, and UW Health. Suspending collections activity conforms to ABC's recommendation that providers should terminate all medical debt-related legal actions against patients and families. Although some providers followed this recommendation and ended legal interventions against patients, we understand that filing lawsuits is just one way to pressure patients and that systems may resort to credit reporting, debt parking, or other forms of intimidation to secure medical care payments. We will continue to research emerging methods.

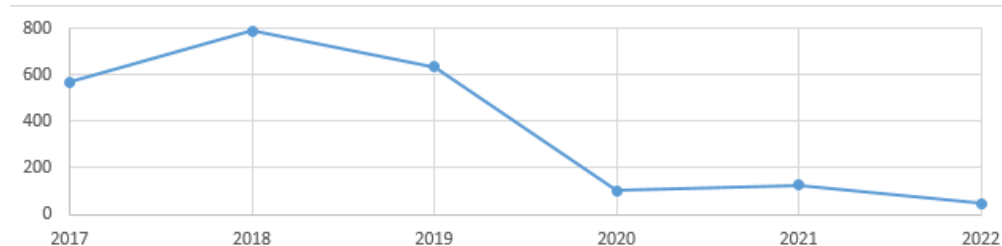
Agnesian: As we noted in our fall 2021 report, Agnesian Healthcare continued filing lawsuits at full steam during the pandemic. Interestingly, Agnesian finally seems to be slowing down in 2022, though they certainly haven't stopped. The system filed only 18 cases in the first half of this year, which is a significant *decrease* from previous years.

Year	2017	2018	2019	2020	2021	2022 (Jan-Jun)
Cases Filed	587	628	560	626	329	18



Gundersen: Gundersen never stopped litigation, but they did slow it down significantly. Their 2022 numbers appear to be roughly on par with 2020 and 2021. Note: These numbers include only suits filed by the Gundersen system as a whole, not by individual hospitals. Two Gundersen hospitals, St. Joseph's and Moundview, are included in the table on page 5.

Year	2017	2018	2019	2020	2021	2022 (Jan-Jun)
Cases Filed	569	789	636	102	125	48



SSM Health: SSM warrants more research. Over the past five years, SSM purchased other health care entities, like Agnesian and the Monroe Clinic, but our review of CCAP is not conclusive as to whether those entities will continue suing under the SSM umbrella.

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Hospital Financial Assistance

Almost all hospitals in Wisconsin are registered as nonprofits under state and federal law. They receive significant tax benefits in return for providing additional benefits to the communities they serve. Generally and as part of this arrangement, nonprofit hospitals must develop and publish financial assistance policies to provide relief for certain low-income patients.¹¹ Federal IRS rules prohibit these hospitals from pursuing extraordinary collections actions – including filing lawsuits – against a patient before they have made reasonable efforts to determine whether the patient qualifies for financial assistance.¹²

Our client casework identified that not all hospitals appear to fully comply with these IRS requirements. ABC identified cases

Not all hospitals appear to fully comply with these IRS [501r] requirements.

where certain hospitals stretch the definition of a “reasonable effort” to determine eligibility, often merely providing a patient with an application as part of a stack of other forms, or even just directing a patient to their website. Typically, in these cases, hospitals continue to bill patients even while a financial assistance application is pending. In fact, one major Wisconsin hospital encourages the patients to set up payment plans “just to be safe” while an application is being processed (many hospitals’ policies specify that aid doesn’t apply to portions of the bill that have already been paid). Under current rules, hospitals are even allowed to refer patients to collections while processing aid applications – although the collections agencies are not allowed to park debt on credit reports or sue the patient, the mere threat of collections can easily scare low-income patients into paying debts that they do not owe.

Some hospitals have inconsistent processes to process applications. ABC has helped clients address communication gaps with hospital billers that lacked a basic understanding of their own financial assistance policies. Wisconsin hospitals must carefully review financial assistance and billing policies, on paper and in practice, to fully comply with the letter and spirit of IRS 501(r) regulations.

To learn more about IRS 501(r) regulations, consult our guide, *Fighting Forward: Challenging Medical Debt*.¹³ Remember that a nonprofit hospital cannot hurt your credit score or take you to court while you have a pending financial assistance application. If you believe you may qualify for financial assistance, we recommend waiting until the nonprofit hospital makes a final determination of financial assistance before making any payments toward a medical bill.



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Hospital Financial Assistance Recommendations

We recommend the following policies:¹⁴

- Improve training and continuing education for financial assistance staff
- Refer to funded and supported community based advocates, assisters, or Navigators for help
- Present clear and unambiguous eligibility criteria¹⁵
- Remove financial assistance application deadlines
- Remove geographical limitations on financial assistance recipients
- Accept applications through multiple options (US mail, email, and online forms) and accept electronic or verbal signatures on applications
- Inform patients about financial assistance policies whenever they express concerns about their ability to pay, even if a patient has already been given an application. Hospital encounters are stressful situations, and patients might not have fully processed previous notices, especially during intake.
- Make verification documents flexible for patients in unique circumstances. Hospitals should accept the best available documentation from patients, rather than adhering to a strict list
- Offer financial assistance for fully insured, underinsured, or uninsured patients. Most Wisconsin hospitals comply with our recommendation, but some notably excludes patients from eligibility if they have *any* amount of health insurance coverage, even if it is woefully inadequate.
- Extend financial assistance approval from a hospital to automatically qualify a patient for assistance at affiliated clinic locations, without a need for further action from the patient.
- Grant “presumptive eligibility” for the highest level of financial assistance if a patient qualifies for Medicaid or other similar public benefits, without the need for an application. Apply this eligibility to any outstanding bills before Medicaid coverage is effective.
- Reimburse patients for previous payments that exceed their liability after a discount is applied.
- Process financial assistance applications in a timely manner – within 60 days of receiving the application. If processing routinely takes longer, consider extending the amount of time before referring accounts to collections.
- Do not refer or threaten to refer patients to collections if they have a pending financial assistance application. IRS regulations prohibit hospitals from taking extraordinary collections actions in such circumstances, but even the mere referral of an account to collections could intimidate a client into paying a bill beyond their means.
- Do not encourage patients to set up payment plans while a financial assistance application is pending, for the same reasons.

Do not encourage patients to set up payment plans while a financial assistance application is pending.

Restarting the Collections Machine

Collection Agencies and Collection Attorneys: The Revenue Cycle Pain Point

In Wisconsin, after internal billing efforts fail, most hospitals use collection agencies to try to recover older past-due debt. ABC review did not find evidence that Wisconsin hospitals regularly engage in the sale of medical debt (but see our “New Collection Strategies and Entities” section for a notable exception). In fact, we identified that most hospitals remain the owners of the debt, but they transfer some powers to the bill collectors.

ABC research identified that several collection agencies working in Wisconsin openly specialize in medical debt. Occasionally, in medical debt cases, the address in CCAP of the plaintiff (hospital) will be changed to that of a debt collector. This information, often buried in CCAP entries, provide evidence to connect hospitals with certain collection agencies. In addition, most medical debt collection lawsuits are filed by a relatively small pool of attorneys, usually affiliated with particular collections agencies. Thus, we only have limited evidence as to which hospitals work with which agencies and attorneys.

As the data above shows, the evidence reflects that some Wisconsin hospitals and other health care providers resumed collection activities between November 2021 and January 2022. Most such providers that we investigated appear to use Americollect as their collections vendor—see our “Methods” section for details on how we found these providers.

Our research identified several collection agencies and law firms that specialize in Wisconsin’s medical debt collections industry. For example, Health Payment Systems appears to use Bruck Law Offices (Bruck) as its collection agency (and collections attorney) – CCAP data reflects that Bruck previously worked closely with Children’s Hospital of Wisconsin before that system suspended medical debt litigation.

In our direct client work, some hospitals immediately send patients to collections after billing – sometimes even before insurance has fully processed a claim. This can confuse patients into thinking that they owe a larger bill. They might even strain themselves financially to pay the bill.

Viktor’s Story

“Viktor” moved to the United States a few years ago as a legal immigrant. Last year, he received treatment from EMTs that left him with medical bills he couldn’t afford. Viktor had coverage under a Medicaid program that helps with emergency care situations, but the ambulance company refused for several months to submit the claim to Medicaid, instead attempting to collect from Viktor. Under most circumstances, it is illegal to bill a Medicaid recipient directly. Victor did not fully understand his rights and was being bullied into paying an illegitimate bill. With advocacy from ABC, the ambulance company – still refusing to bill Medicaid – relented and wrote off the bill under their financial assistance policy.

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Ground Ambulance Debts & Collections Issues

Ground ambulance services can be a frustrating source of medical bills. When an ambulance is needed, people don't have time to double-check their insurance plan to avoid going out of network. In many cases, it is only after the dust settles that they recognize that an ambulance bill can lead to charges that can often come to thousands of dollars. It's no surprise that some research reflects that some low-income people avoid ambulances altogether, instead rolling the dice with other methods of transportation like rideshare apps.¹⁶

After the 2008 recession, private equity firms began buying ambulance companies. Unlike municipal ambulance services, these firms have only one objective: to turn a profit. Unfortunately, they do so by stressing and then challenging patients and consumers at a very vulnerable time—an emergency.

For many patients, ambulance bills can be hard to pay. The No Surprises Act notably doesn't apply to ground ambulances. This means that ambulance companies can charge privately insured patients beyond what their insurance policy would otherwise have them pay. Some ambulance companies either have their own financial assistance policies or respect the discounts granted by hospitals, but many don't leave patients with any options.

Some Wisconsin ambulance companies actively pursue litigation against their patients. In fact, two of the providers we researched are ambulance companies: Gold Cross Ambulance Service and North Shore Fire Department.

It's no surprise that some low-income people avoid ambulances altogether.

New Collection Strategies & Entities

Normally, the plaintiff named in medical debt lawsuits is a healthcare provider. However, in the course of our research, we identified another active and emerging player in the medical debt litigation process: a company called **Health Payment Systems**.

Health Payment Systems emerged in Wisconsin in 2005. They offer a puzzling mix of corporate health care revenue cycle services. At times, they appear to act as a third-party administrator, a billing contractor, a debt buyer, or a collection agency, or some combination thereof. They offer many services to hospitals and insurers alike, but what caught our eye was their payment network. Normally, when seeking payment for a medical bill, a provider works through their list of payers – starting with primary insurance, and then moving down to other insurances before finally reaching the patient.

Based upon a review of their website, Health Payment Systems appears to break that workflow. If the primary insurer works with Health Payment Systems, its web information suggests that they pay the provider in full and assume the debt.¹⁷ Health Payment Systems then assumes responsibility for billing the patient directly – without considering the possibility of secondary insurance.

Restarting the Collections Machine

New Collection Strategies & Entities: Health Payment Systems

Health Payment Systems (HPS) filed 63 collection actions between 6/21/22 and 6/30/22. However, our current review of HPS is incomplete and more research is needed. In the meantime HPS appears to be a major source of medical debt collections litigation in Wisconsin. Companies employing similar models are also emerging in other states.¹⁸

The HPS method raises many questions when considered as a part of the larger medical debt/collection landscape:

- Could hospital financial assistance still apply after HPS has stepped in?
- Is their effective buying of medical debt known to agencies such as the CFPB that regulate the debt buying industry?
- Does HPS debt count as “medical debt” for the purposes of the new credit reporting rules?

ABC will continue our research and discussions with state and federal regulators to find answers to these and other concerns raised by this new medical billing model.

Lizzie's Story

9-year-old “Lizzie” was covered by her mom’s job-based insurance as well as having secondary Medicaid. Unexpectedly, her primary insurance stopped covering her therapy. In normal circumstances, Medicaid would start picking up the tab, but instead Lizzie’s family was billed directly – which shouldn’t happen to Medicaid recipients. Even more curious, the bills weren’t coming from the provider, but from the third-party administrator of Lizzie’s primary insurance.

ABC for Health’s team investigated and learned that the third-party administrator had contracted with Health Payment Systems (HPS). HPS paid the provider in full, and then attempted to collect from the patient anything not covered by the primary insurance. But their automated system apparently failed to check for secondary insurance. ABC resolved the issue for Lizzie’s family, but we worry about other patients caught in the same dilemma. If HPS actually purchases debt from providers, HPS could be misleading patients about their liability and hamper their ability to seek other valid sources of payment, such as financial assistance, Medicaid or secondary insurance.

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Conclusion & Next Steps

Medical debt collections lawsuits are unfair, inequitable, and harmful to Wisconsin families. Instead of returning to that broken system, ABC for Health recommends a proactive approach by providers, using trained and certified staff to assist patients in need.

Hospitals must gain better skills to help their low-income patients find and maintain access to healthcare coverage through public programs such as Medicaid, Medicare, and the ACA Marketplace. Provider financial assistance and billing staff need regular training and continuing education on health coverage and patient advocacy assistance. Developing and implementing strong patient assistance policies can be a “win-win” and help providers get paid without threats and strategies to empty their patients’ pockets.

Access to healthcare coverage results in better health outcomes and less stress, so hospitals that help their patients maintain coverage will provide better overall health care and important community benefits. Cutting out the collectors from the equation improves the physical, mental, and financial health of the community while ensuring that hospitals can keep their doors open.

Medical debt collections lawsuits are unfair, inequitable, and harmful to Wisconsin families.

While medical debt continues to burden patients, ABC for Health will continue to investigate its causes, including unfair collections and billing practices, unjustified insurance denials, and inadequate access to public benefits.

As new laws and policies emerge to combat medical debt, we will keep a watchful eye on providers and insurers and identify compliance shortfalls, and pro-active patient-centered solutions to help.

Our Approach Moving Forward:

- **Cases:** work on specific cases of medical debt and collection issues for low-income families in targeted areas of the state
- **Training:** develop advocate and consumer trainings and fact sheets) on legal topics related to medical debt, such as Medicaid billing laws, hospital financial assistance, private insurance appeal rights, etc.
- **Research:** continue to dig into CCAP data to learn more about the collection industry and evolving practices
- **Policy Goals:** further investigate small claims rules; work on medical debt awareness in some of the low income neighborhoods; identify strategies to promote IRS enforcement of 501r rules
- **Press:** continue to share some of our clients’ stories and experiences with medical debt

Restarting the Collections Machine

Methods

The providers studied in this report were chosen via three methods:

1. We investigated all of the hospital systems we have previously studied in our medical debt collections research: Agnesian, Ascension, Children's Hospital, Froedtert, Froedtert South, Gundersen, and UW Health.
2. We added another plaintiff we've been interested in looking at: Health Payment Systems.
3. We investigated systems that appeared to have some relationship with collections agency Americollect who all seemed to restart litigation at a similar time.

To identify providers in the third group, we identified one active attorney used by Americollect and investigated every provider on whose behalf that attorney filed a medical debt collections case in January 2022. Many of these had little or no pre-pandemic data with which to compare the new cases, so we narrowed this list down from 36 to the 20 such entities included in this report.

We identified cases by searching in CCAP for whole or partial matches of each entity's name in the "Business Name" field. It is possible that some cases were missed due to recording errors in CCAP or the use of alternative corporate names.

For each plaintiff studied, we collected the following data:

- Their collection lawsuits filed each year from 2017 to 2021, inclusive, plus those filed in the first six months of 2022 (cutoff: 6/30/22)
- The date of their last suit filed before the pandemic slowdown or cessation – these dates are approximate and somewhat subjective
- The date of their first suit filed after the pandemic slowdown or cessation – these dates are approximate and somewhat subjective

We used this information to calculate the following:

- Rate of litigation (average cases filed per month) in each year from 2017 to 2021 in which a plaintiff was active, inclusive (# of cases/12)
- Rate of litigation (average cases filed per month) in the first half of 2022 ([# of cases filed before June 30]/6)
- The increase in the rate of litigation in 2022 compared to the pre-pandemic levels (2022 rate/[2017-2019 rate])

Cases that didn't appear to be related to medical debt collection were not part of the data set. This includes "hospital lien" cases, probate cases, medical malpractice cases, and others.

We also note that we only looked at cases filed in Wisconsin state courts – some hospitals, especially those near state borders, may have been active in debt collection cases in other jurisdictions.

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