



Medical Debt & Collections Addendum *Gundersen Health System 2020*

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About ABC for Health:

ABC for Health is a Wisconsin based nonprofit public interest law firm dedicated to linking children and families, particularly those with special health care needs, to health care benefits and services.

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.

Extending Our Research:

In a continuation of our previous medical debt and collections research,¹ ABC for Health conducted a comprehensive review of circuit court records to compile data on medical debt lawsuits filed by the Gundersen Health System in Wisconsin from 2017 through 2020. This research has offered insight into the effect of the COVID-19 pandemic on medical debt collection.

Our Findings:

Patients were unrepresented in 100% of cases.

- In 2020, Gundersen Health System filed **165** collections actions against patients.
- This is roughly a **75% decrease** from the rate in 2017-2019.
- Defendants were unrepresented in **100%** of cases.
- In cases where the amount sought was available, Gundersen sought **\$465,051.23** from patients, which makes up **1.0%** of their 2020 bad debt.²
- That number swells to **\$499,051.23** including attorney's fees & court costs.
- Of the cases that ended in judgment for Gundersen, **100%** were default judgments.
- The average judgment, including costs and fees, was **\$4,781.08**.
- The largest judgment collected was **\$29,816.88**, in a case filed pre-pandemic but for which judgment was entered 5/26/21.
- Although Gundersen asserts to have paused certain legal actions in response to the pandemic³, hospitals in the system consistently filed collections actions throughout the 2020 calendar year, albeit at a slower pace than before.
- Gundersen filed **43** suits after the pandemic began (March 12, 2020)
- In addition, **52** suits filed before the pandemic were actively prosecuted by Gundersen into the pandemic era.
- **\$349,208.34 (\$372,924.43 with fees)** was sought by Gundersen in actions filed or prosecuted during the pandemic.

A Better Way Forward for Wisconsin

Gundersen Collections Actions Practices During the COVID Pandemic

Gundersen, along with many Wisconsin hospitals, faced heavy public pressure to cease filing collections actions during the COVID-19 pandemic. The advent of the pandemic saw a sharp decline in suits filed by Gundersen—104 of the 165 lawsuits filed in 2020 were filed in January and February.

However, Gundersen hospitals filed at least one lawsuit in every calendar month of 2020, despite asserting they would cease filing suits during the pandemic.³ Most of the suits filed during the pandemic were filed by Gundersen Moundview Hospital & Clinics or Black River Memorial Hospital, though several named Gundersen's Administrative Department as a plaintiff.

Gundersen appears to be slowing the pace of actions against patients into the fall of 2021. Many cases filed in early 2020 were dismissed early in the pandemic, but court records largely did not indicate whether the dismissals occurred with or without prejudice.

As we have noted before, dismissals without prejudice would allow hospitals to reopen the cases at a later date, likely once public pressure around the pandemic has settled down.

Sources:

1. Medical Debt & Collections: A Better Way Forward for Wisconsin, available at: [https://www.safetyweb.org/PDFs/Medical Debt and Collections.pdf](https://www.safetyweb.org/PDFs/Medical%20Debt%20and%20Collections.pdf)
2. Wisconsin Hospital Association, Uncompensated Health Care Report, Fiscal Year 2020, available at: https://www.whainfocenter.com/Data-Products/Publications/Uncompensated-Health-Care-Report-Wisconsin/Uncompensated_2020
3. Wisconsin Public Radio, 'You've Been Served': Wisconsin Hospitals Sue Patients Over Debt—Even During Pandemic, <https://www.wpr.org/youve-been-served-wisconsin-hospitals-sue-patients-over-debt-even-during-pandemic>

