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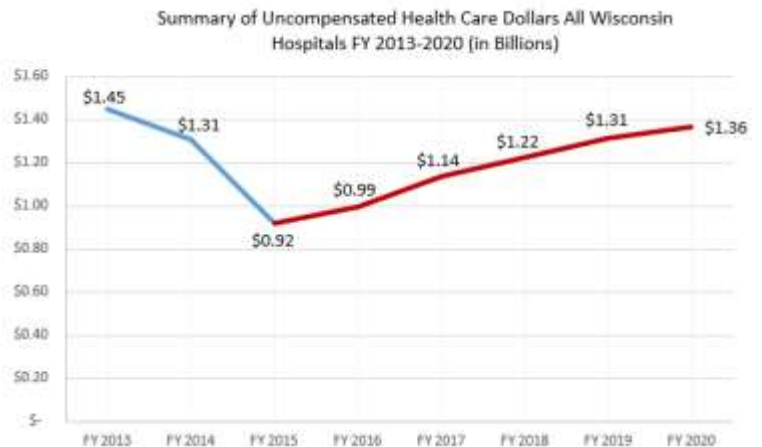
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Interview: Bobby Peterson: (608) 444-7197

Report: Uncompensated Care - and Inequities - Grow in Wisconsin

Madison, WI – Uncompensated care in Wisconsin hospitals increased by \$50 million in 2020 according to the Wisconsin Hospital Association’s “Uncompensated Health Care Report, Wisconsin Hospitals Fiscal Year 2020.” The report identifies uncompensated care as the combined totals of charity care and bad debt at Wisconsin hospitals. The report noted that in this first year of the COVID pandemic, hospitals provided a surprising drop of over \$9.7 million in overall charity care. In contrast, bad debt - debt from unpaid medical bills - spiked by almost 9% or \$60 million. The overall increase continues an upward trend in uncompensated care in Wisconsin that began back in 2016. “Patient medical debt is a huge health equity issue and major stressor for health disparity populations in Wisconsin,” says Bobby Peterson, Public Interest Attorney at ABC for Health, Inc. He continues, “We can and must do much more to help people avoid many of these preventable situations.”

Peterson says, “Patients endure the barriers of medical debt: harassment, court summons, and default judgements. Disparity families are unequipped to challenge debt actions alone. They suffer wage garnishment, family stress, and disrupted access to care.” Peterson notes that although some hospitals paused collection actions during COVID, others ran full steam ahead or simply delayed collection actions, with plans to resume in the months ahead. Peterson added that pausing an action in collections does not make the medical bills go away for a family; “the negative effects of looming debt and a worsened credit score hangs over a family like the Sword of Damocles.”



Data from Uncompensated Care, WI Hospitals Reports spanning FY 2013-2020, WHA Information Center LLC

The real winner in the continuing growth of medical debt and uncompensated care is the medical collections industry that profits off the misery of many low-income, credit-compromised consumers. Sadly, most hospitals partner in this process when they transfer debt cases to longstanding business partners in collection agencies and law firms that then profit off the misery of patients. “Hospitals and their debt collection partners combine in these inequitable practices to severely damage patients’ credit scores, frequently ‘locking them out’ of a path forward to improved economic security,” says Peterson.



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“This gross inequity cannot be called justice when the hospital has legal representation 100% of the time in court, and patients virtually never do!,” says Peterson. He continued, “Legal help can and should be the great equalizer to help disparity population balance the scales of justice. Without balanced justice, the collections industry forges ahead with profits undeterred to the consequences of people harmed by health disparities and inequities who cannot hope to effectively fight back without advocacy or legal help. With a bad credit score many patients face worsened health as finance spiral down, to land where a bad credit score traps them in poverty in an electronic debtor’s prison.”

Most patients and families are lost in the complex medical debt collection process. In a sampling of medical debt collections actions in Wisconsin, where health systems sought over \$10 million in judgements, patients were represented by an attorney in fewer than 1% of cases. Health systems were always represented. Our newly updated research from a summer 2021 report titled “[Medical Debt & Collections: A Better Way Forward for Wisconsin](#).” ABC staff continued research 2017-2020. The data, a sampling of actual collection actions taken against patients, identified a lack of legal representation for patients as a grave inequity and a primary obstacle to battling the current medical debt crisis.

Research in 2021 includes data on the effect of the COVID pandemic on medical debt collection. While some hospitals claimed to pause collections during the pandemic, court records prove otherwise for at least one major hospital systems. ABC for Health expects to release their findings in a series of Medical Debt Report Addenda in the weeks ahead.

ABC for Health’s research also identifies strategies to help patients. Proactive help at the start of the health care service process with trained and skilled staff can help prevent or diminish many medical bills and promote health equity for disparity patients. Advocates can also help Wisconsinites appeal denied insurance claims, secure BadgerCare Plus to help pay hospital bills, connect to and be aware of federally required charity care rules and options, and help avoid future uncovered bills. Peterson says, “Hospitals need to step up, partner to better protect their patients’ health, well-being, and financial futures, and reevaluate the business and community merits of their long-standing relationships with the malevolent medical collection industry.”

ABC for Health, Inc., is a Wisconsin-based, nonprofit, public interest law firm that promotes health equity and social justice. ABC for Health helps clients impacted by health disparities due to income, race, or poverty to connect to health care coverage and services in Wisconsin. 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 and services.

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