



*Advocacy & Benefits Counseling for Health, Inc.
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PRESS RELEASE

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October 11, 2022

Interview: Bobby Peterson: (608) 444-7197

Report: Restarting the Collections Machine

Some Wisconsin Health Care Providers Resume Aggressive Collections Lawsuits

Madison, WI – Some Wisconsin healthcare providers have aggressively resumed filing medical debt collections lawsuits against patients. In contrast, medical collections actions generally slowed during the first part of COVID-19 pandemic. “The collections machine is back!” says Bobby Peterson, Public Interest Attorney and Executive Director of ABC for Health, Inc. (ABC) “Some providers and collectors are making up for lost time.” This finding is shared in a new report issued by ABC titled, [Medical Debt & Collections in Wisconsin: Restarting the Collections Machine](#).

In [previous research](#), ABC staff and students collected data on lawsuits filed from 2017 to 2022 by a sampling of hospitals, clinics, and specialty providers. Research showed that most providers stopped or slowed collections in the early months of the pandemic in 2020 into early 2021. However, some providers abruptly increased case filings in late 2021 and the first half of 2022, even as families were still recovering from COVID-19 impacts.

Peterson continues, “While we applaud providers that ended medical debt collection lawsuits, our research indicates that other providers, particularly specialty providers, still fail to help patients obtain and maintain coverage.” Proactive help for patients *before* engaging in collections actions is required by federal law and IRS regulations for hospitals, but is also “common sense” according to Peterson. “Proper patient assistance promotes equity, builds relationships with low-income patients, and results in payment for providers. These providers should focus on helping patients connect to health coverage options, instead of reflexively dragging them through the collections machine,” says Peterson.

Peterson continues, “We know from our [previous research](#) that over 99% of patients lack legal representation in these lawsuits. Without access to civil legal services, most patients and families don’t stand a chance against well represented providers, to review or investigate these bills. For patients and families collection lawsuits are a brutal and stressful process. It’s not a fair fight.”

ABC for Health recommends a proactive approach with trained and supported provider staff to help patients avoid medical debt by carefully identifying and explaining coverage options including Medicare, Medicaid, and private insurance options obtained through work or the ACA Marketplace. Staff should be versed in new rules and federal protections like the No Surprises Act and price transparency rules. “Continuing education and ongoing training and support for provider staff is a must,” said Peterson. ABC medical debt and collections research will continue as ABC seeks to assist affected consumers and inform policymakers.

Read a copy of the Report: https://www.safetyweb.org/PDFs/Collections_Machine.pdf

For more information on managing or avoiding medical debt, see ABC for Health’s [Fighting Forward Guidebook](#).

ABC for Health, Inc., 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 and services.

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