



Advocacy & Benefits Counseling for Health, Inc.
Serving Wisconsin Families Since 1994

PRESS RELEASE
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October 26, 2023
Interview: Bobby Peterson: (608) 444-7197

Patient Medical Debt and Inequities Persist

Madison, WI – Uncompensated care in Wisconsin hospitals was \$1.28 billion in 2022, according to the Wisconsin Hospital Association’s “Uncompensated Health Care Report, Wisconsin Hospitals Fiscal Year 2022.” The report identifies a slight drop in overall uncompensated care, a measure that combines both charity care and bad debt totals at Wisconsin hospitals. In 2021, the total uncompensated care was \$1.29 billion.

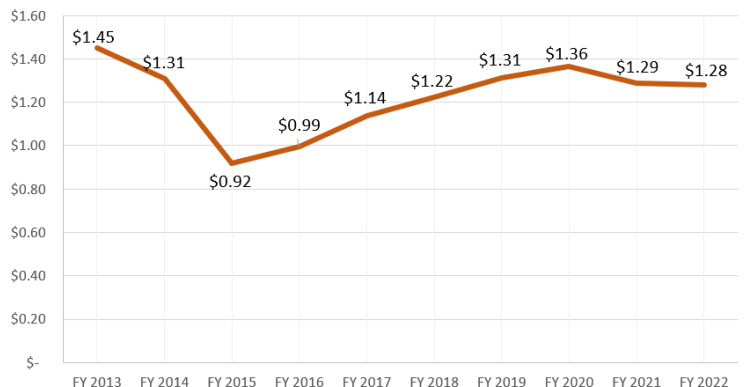
The slight drop in uncompensated care in 2022 may be due to federal rules that prohibited states from disenrolling people from Medicaid from early 2020 through early-2023. These pandemic-related Medicaid rules provided continuous coverage for most Medicaid program enrollees and significantly increased rates of health coverage in Wisconsin. Congress declared the start of “unwinding” in early 2023; Medicaid terminations in Wisconsin started for some enrollees in late May 2023.

Bad debt for Wisconsin hospitals decreased from 2021, but bad debt is still 2% higher than pre-pandemic year 2019. Charity care services provided increased slightly over last year, yet charity care is still 7.6% lower than pre-pandemic 2019. In fact, when compared to 2019, hospitals charity care dollars have dropped by almost \$50 million.

“Wisconsin families still face the heavy burden and stress of medical debt and collections actions,” says Bobby Peterson, Public Interest Attorney at ABC for Health, Inc. “Federal law requires tax exempt, nonprofit hospitals to provide help and financial assistance to people that lack the resources to pay or fully pay medical bills. Yet, the tax breaks received by the hospitals almost always exceeds the charity care provided to folks in need.” According to the report, charity care for all reporting hospitals only averaged 0.7% of gross patient revenue. Peterson adds, “Some of these tax-exempt hospitals and health systems still pursue folks with aggressive debt collection practices.”

Peterson says, “This is an equity issue that hospitals and communities must address as part of a required Community Needs Assessment Process that starts in 2024. Low-income, minority, non-English-speaking patients endure the biggest barriers to financial assistance and therefore are most likely to endure harassment, court summons, and default judgments. Families impacted by health disparities are unequipped to challenge debt actions alone. They suffer wage garnishment, family stress, and disrupted access to care.”

Summary of Uncompensated Health Care Dollars All Wisconsin Hospitals FY 2013-2022 (in Billions)



Data from Uncompensated Care, WI Hospitals Reports spanning FY 2013-2022, WHA Information Center LLC



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Peterson offers a way forward for Wisconsin hospitals: “Hospitals need to better educate patient assistance staff to address the significant knowledge barriers about available health coverage and service for some of our most vulnerable populations. Most hospitals can do so much more to proactively help patients and communities. They need engaged, knowledgeable patient assistance staff that understand system barriers and can help patients prevent or avoid certain debt.” Peterson says overall, hospitals can simplify their charity care process and procedures and create programs and policies that promote seamless, comprehensive care and coverage for their patients.

ABC for Health has its “[Fighting Forward: Challenging Medical Debt](#)” resource for consumers on its website.

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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