

ABC for Health Inc.: Report: Nearly \$90 million jump in 2019 uncompensated care in Wisconsin

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Madison, WI – Uncompensated care in Wisconsin jumped by nearly \$90 million in 2019. The Wisconsin Hospital Association's "Uncompensated Health Care Report, Wisconsin Hospitals Fiscal Year 2019" documented a 7.3% increase above 2018 in combined medical bad debt and charity care for Wisconsin hospitals. This increase reverses most of the drops in uncompensated care from 2013-2015 when the ACA Marketplaces started. Increased uncompensated care is also expected in 2020 due to the COVID pandemic. "Sadly, our client cases reflect that some uncompensated care is avoidable, particularly for disparity populations in Wisconsin," says Bobby Peterson, Public Interest Attorney at ABC for Health, Inc. Peterson continues, "Patients and families suffer through a painful process when sued by a hospital and such action usually results in a lot of stress from wage garnishment or property seizures and even tax refund intercepts."

Peterson notes that during the current COVID pandemic, some health systems suspended court actions against patients for medical debt; however, ceasing legal actions does not stop the negative effects and pain of medical debt. "Hospitals, combined with debt collection agencies, severely damage patients' credit scores and may 'lock patients out' of a path forward. This modern day 'Virtual Debtor's Prison,' controlled by a credit score, leads to further financial difficulty for patients in securing a lease and housing, finding affordable insurance, getting a job, and acquiring reasonable loans." People and families with damaged credit scores often persist in an endless cycle of debt.

Most patients and families receive little help in the complicated medical debt collection process. A sampling of court data collected by ABC for Health staff from

2017-19 indicates that over 99% of individuals sued by Wisconsin hospitals lack legal or advocate representation. Additionally, 96% of cases studied resulted in default judgments, meaning in the majority of cases the court ruled in favor of the debt collectors when the patient or patient's family member failed to appear in court. "This is never a fair fight with the scales of justice tipped against the patient and heavily in favor of the debt collector," says Peterson. He continued, "Without legal representation or patient advocacy assistance, many low and moderate income Wisconsinites become hopelessly mired in medical debt that might be avoided, and effectively locked by the electronic handcuffs of their credit score."

ABC for Health's research supports the premise that some medical debt in Wisconsin could be reduced or avoided through more proactive patient assistance. The complexity of identifying health coverage options and insurance is a major headache for patients and results in unpaid medical bills. Proactive patient assistance with trained and skilled staff can connect patients to resources that can help prevent or diminish their medical bills. Proactive patient advocacy can help Wisconsinites effectively appeal denied insurance claims, secure BadgerCare Plus to help pay hospital bills, connect to and be aware of charity care options, navigate the healthcare Marketplace to avoid future uncovered bills, and protect their financial futures. "We could be doing so much more to help these folks," noted Peterson.

For more information on managing or avoiding medical debt, see ABC for Health's Fighting Forward Guidebook: <https://safetyweb.org/healthwatchwi/medical-debt.html>

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.