

ABC for Health: Report: Despite COVID, medical debt lawsuits continue at some Wisconsin hospitals

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Madison, WI – Medical debt collection actions and lawsuits against patients continued during the COVID-19 pandemic at several Wisconsin hospitals. These providers continued to sue patients for unpaid medical bills, despite efforts by state and federal officials to provide flexible eligibility for Medicaid, ACA Marketplace coverage, and certain COBRA requirements. “Several hospital systems went ‘on the record’ saying they would stop medical debt lawsuits against patients during the pandemic, and some only paused the collection actions only to re-engage the process later, while others never stopped the process,” says Bobby Peterson, Public Interest Attorney at ABC for Health, Inc. (ABC). On the flip side, both Children Hospital of Wisconsin and Ascension Wisconsin ended new lawsuits against patients even before the pandemic. “It’s the right thing to do. Let’s hope this continues,” added Peterson. To compliment [earlier research](#), ABC staff reviewed over 1,500 court records of collection actions against patients in 2020. The data revealed different approaches to collections during the pandemic.

Over 99% of patients and families sued lack any legal help or representation in the court actions for medical debt. “Patients with medical debt have the deck stacked against them even in normal circumstances, as they lack the knowledge or legal help necessary to challenge the bills,” Peterson said. He added, “Collection actions are a gross inequity leveled against many low-income patients. For some providers to pursue patients during the pandemic reflects a level of callousness by certain hospital systems and their hired guns, the collection agencies looking for cases where people often can’t and don’t fight back.” The new report reviews medical

debt lawsuits filed by select Wisconsin

Hospitals: [Agnesian](#), [Ascension](#), [Children's](#), [Froedtert](#), [Froedtert South](#), [Gundersen Health System](#), and [UW Health](#) during 2020. Hospital practices varied, but were a cause for concern. Agnesian in the Fond du Lac area, owned by SSM Health, did not even pause medical debt litigation against patients during the pandemic. Gundersen and Froedtert South continued to sue patients, despite statements about halting or drastically reducing actions during the COVID.

ABC also reviewed cases filed by Froedtert and Froedtert South before the pandemic, from 2017 to 2019, to compare with [earlier research](#). The data showed that: both Froedtert and Froedtert South filed many collection lawsuits against their own employees. "Not only is it shocking that they would resort to taking such measures against their workers," said Peterson, "but it also reflects the quality of the health insurance provided to employees, even for services at their own facilities. Lawsuits against patients are stressful, counterproductive, and only enrich collections agencies." ABC's research identified that helping patients navigate benefits at the early stages of medical care can help promote equity, reduce disparities for low income patients, and help patients secure Medicaid or private insurance coverage.

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.