



Medical Debt & Collections Addendum *Froedtert Health System*

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About ABC for Health:

ABC for Health 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 services.

Extending Our Research:

In a continuation of our previous medical debt and collections research,¹ ABC for Health conducted a comprehensive review of circuit court records to compile data on medical debt lawsuits filed by the Froedtert Health System in Wisconsin from 2017 through 2020. This research has offered insight into a new system not included in our original research and their collections practices. Extending the timeframe into 2020 allowed us to gather data on the effect of the COVID-19 pandemic on medical debt collection.

Our Findings:

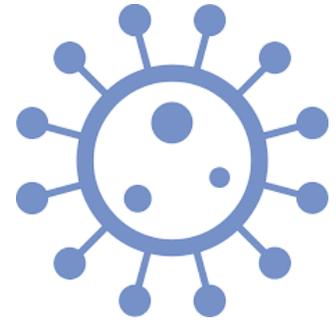
Patients were unrepresented in over 99.5% of cases.

- From 2017 through 2019, Froedtert Health (and its component hospitals) filed **3,364** lawsuits against patients.
- Defendants were unrepresented in over **99.5%** of cases.
- In cases where the amount sought was available, Froedtert sought **\$5,983,915.31** from patients.
- That number swells to **\$6,794,191.37** including attorney's fees & court costs.
- **95%** of judgments were default judgments.
- The average judgment, including costs and fees, was **\$2,415.28**
- The rate of representation and average amount sought are fairly comparable to other health systems.
- Unlike the other hospital systems studied to date (other than Froedtert South), Froedtert sued its own employees at a much higher frequency.
- Out of the 1,198 cases from 2017 to 2019 with a listed garnishee, 106, or just under 9%, were against Froedtert employees.
- Froedtert was by far the most frequently-listed garnishee in the cases we studied. (The next most frequently-listed, Milwaukee Public School District, was listed in 54 cases).

A Better Way Forward for Wisconsin

Medical Debt Collections Actions During the COVID Pandemic

In addition to the 2017-2019 cases, we also examined cases filed in 2020. This gave us the opportunity to observe Froedtert's practices during the start of the COVID pandemic.



- Froedtert filed **482** suits in 2020.
- Froedtert stopped filing new medical debt suits in April of 2020, likely in response to the pandemic.
- However, some suits that were already open prior to March 2020 continued to be prosecuted by Froedtert's attorneys well into the pandemic.
- The amount sought by Froedtert in 2020 makes up 0.3% of the system's reported bad debt in 2020.²
- Froedtert has not filed a new medical debt lawsuit since April 1, 2020 (last checked November 2021).

COVID Collection Action Practices:

Many cases filed by Froedtert Health in late 2019 and early 2020 were dismissed, perhaps in response to the pandemic. However, as noted above, not all active cases were dismissed, and those that were dismissed tended to be dismissed **without prejudice**. So, they could easily be re-opened by Froedtert at a later date.

In fact, we found it common practice in the earlier cases we reviewed for Froedtert to form a payment plan with the patient, conditionally dismiss the claim, and then reopen the case and obtain a default judgment when the patient missed a payment.

What Froedtert's post-pandemic practices will be are, of course, unknown. We would certainly hope they would refrain engaging in medical debt collections actions or at least from reopening pandemic-era cases in the future.

Sources:

1. Medical Debt & Collections: A Better Way Forward for Wisconsin, available at: https://www.safetyweb.org/PDFs/Medical_Debt_and_Collections.pdf
2. Wisconsin Hospital Association, Uncompensated Health Care Report, Fiscal Year 2020, available at: https://www.whainfocenter.com/Data-Products/Publications/Uncompensated-Health-Care-Report-Wisconsin/Uncompensated_2020