



# Medical Debt & Collections Addendum *Froedtert South*

December 2021

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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,<sup>1</sup> ABC for Health conducted a comprehensive review of circuit court records to compile data on medical debt lawsuits filed by Froedtert South from 2017 through 2020. This research has offered insight into a new hospital 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:

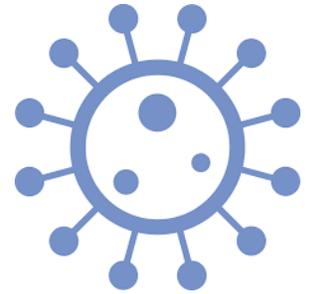
**Patients were unrepresented in 99% of cases.**

- From 2017 through 2019, Froedtert South filed **555** lawsuits against patients.
- Defendants were unrepresented in **99%** of cases.
- In cases where the amount sought was available, Froedtert South sought **\$2,526,892.59** from patients.
- That number swells to **\$2,693,784.29** including attorney's fees & court costs.
- **Over 95%** of judgments were default judgments.
- The average judgment, including costs and fees, was **\$5,398.37**—significantly more than other health systems we studied.
- Unlike the other hospital systems studied to date (other than Froedtert), Froedtert South sued its own employees at a much higher frequency.
- Out of the 308 cases from 2017 to 2019 with a listed garnishee, 37, or just over **12%**, were against Froedtert South employees.
- The next most frequently-listed garnishee, Amazon, was listed in 13 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 South's practices during the start of the COVID pandemic.



- Froedtert South filed **328** suits in 2020, significantly more than the number of cases they filed in each of the preceding three years.
- Froedtert South claimed that they would only file new lawsuits “in rare circumstances” after the pandemic started.<sup>2</sup> The hospital only filed 15 lawsuits from March through May of 2020 (roughly a 90% decrease from the January and February rate).
- **However**, Froedtert South resumed filing new lawsuits at their previous pace in June 2020, and filed another **232** lawsuits from June through December.
- Perhaps due to public pressure and media, attention, Froedtert South seems to have slowed the pace in early 2021, and has not filed a new lawsuit since 5/12/21 (last checked November 2021).

The amount sought by Froedtert South in 2020 makes up 11.1% of the system's reported bad debt in 2020.<sup>3</sup>

### COVID Collection Action Practices:

Froedtert South's decision to continue suing patients during the pandemic stands out among the hospital systems we studied, particularly given their stated commitment to drastically reduce their litigation (a promise that was only kept for a couple months). While it appears they have ceased filing new cases altogether since May 2021, we note that their justification for filing new cases is that they will only sue in cases where it is necessary to preserve their legal right to sue. This could evince an intent to “open the floodgates” once public pressure around the pandemic dies down. This possibility is especially concerning given the higher-than-average amount sought by Froedtert South in their collection lawsuits, and their high rate of litigation relative to their size.

### Sources:

1. Medical Debt & Collections: A Better Way Forward for Wisconsin, available at: [https://www.safetyweb.org/PDFs/Medical\\_Debt\\_and\\_Collections.pdf](https://www.safetyweb.org/PDFs/Medical_Debt_and_Collections.pdf)
2. Milwaukee Journal Sentinel, *A Wisconsin hospital promised to stop suing most patients during the pandemic. Then it filed 200 lawsuits.*, available at: <https://www.jsonline.com/story/news/investigations/2020/12/30/hospitals-promised-relief-debt-collection-covid-pandemic-but-still-sued/4000389001/>
3. 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](https://www.whainfocenter.com/Data-Products/Publications/Uncompensated-Health-Care-Report-Wisconsin/Uncompensated_2020)