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A RESOLUTION

Appropriating \$1,613,988 in American Rescue Plan Act (ARPA) funds to purchase and forgive approximately \$153 million of Milwaukee County residents' medical debt, supporting approximately 67,000 neighbors-in-need

WHEREAS, Milwaukee County's vision is to become the healthiest county in Wisconsin by addressing racial health inequities and social determinants of health; and

WHEREAS, a growing body of research from U.S. universities demonstrates that unpaid medical bills can worsen social determinants of health – and moreover, the debt itself is likely a social determinant of health; and

WHEREAS, according to a May 19, 2021 Sycamore Institute article titled, "How Medical Debt Affects Health," medical debt can negatively impact people's credit scores, their ability to purchase a vehicle or a home, their ability to pay other loans and more, exacerbating their economic stability and mobility; and

WHEREAS, according to the aforementioned Sycamore Institute article, people who have medical debt or trouble paying their medical bills are more likely to avoid seeking medical treatment for ailments and are more likely to have health issues – including high blood pressure, worse self-reported health status, poorer mental health, and shorter life expectancy; and

WHEREAS, according to the October 25, 2021 Fox Business web article, "Medical debt is the leading cause of bankruptcy, data shows," medical debt is the largest single cause of bankruptcy in America, according to the National Consumer Law Center (NCLC), and more than half of debtors have medical debt as part of their bankruptcy filings; and

WHEREAS, according to a March 11, 2022 CNBC web article, "Over half of Americans have medical debt, even those with health insurance – here's why," over half of Americans have medical debt, even those with health insurance, and a quarter of Americans owe \$10,000 or more in medical debt; and

39 WHEREAS, according to the aforementioned CNBC article, the largest
40 contributors to medical debt in America are emergency room visits (46 percent),
41 COVID-19 treatment (30 percent), and mental health treatment (23 percent); and
42

43 WHEREAS, the December 2021 Health Affairs journal article, "Hospital Lawsuits
44 Over Unpaid Bills Increased By 37 Percent in Wisconsin From 2001 To 2018," hospital
45 lawsuits over unpaid bills increased by 37 percent in Wisconsin from 2001 to 2018, with
46 lawsuits being disproportionately directed at Black and African American patients living
47 in poorer areas; and
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49 WHEREAS, according to the 2019 U.S. Census Bureau's American Community
50 Survey, 11 percent of the white population holds medical debt while 24 percent of
51 people of color in Milwaukee County hold medical debt; and
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53 WHEREAS, RIP Medical Debt is a 501(c)(3) charitable organization supported by
54 MacKenzie Scott (author and ex-wife of Amazon founder Jeff Bezos) which works to
55 eliminate personal medical debt for those who have accrued a significant amount of
56 medical debt (5 percent+ of their estimated household income) and are unlikely to be
57 able to pay down their debts (household incomes in between 0 percent and 400 percent
58 of the Federal Poverty Level); and
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60 WHEREAS, RIP Medical Debt estimates 67,000 Milwaukee County residents
61 who meet their criteria for support hold approximately \$153 million in medical debt,
62 which could potentially be purchased in total with \$1.53 million, a 10,000 percent
63 potential return on Milwaukee County's investment; and
64

65 WHEREAS, counties and municipalities such as Toledo, Ohio; Lucas County,
66 Ohio; and Cook County, Illinois; and New Orleans, Louisiana have launched programs
67 in partnership with RIP Medical Debt to purchase medical debt from health systems for
68 pennies on the dollar, and forgive it, freeing the debtors from the negative physical and
69 financial consequences of medical debt; and
70

71 WHEREAS, according to the November 10, 2022 *The Blade* Editorial Board
72 opinion, Toledo and Lucas County in Ohio aim to use \$1.6 million in ARPA funds to
73 purchase and forgive as much as \$200 million in medical debt for their local residents, a
74 12,500 percent return on their investments; and
75

76 WHEREAS, according to the July 21, 2022 *Chicago Tribune* article, "Cook
77 County hopes to eliminate \$1 billion in residents' medical debt. Here's how.," Cook
78 County, Illinois aims to leverage \$12 million over the next three years to purchase and

79 forgive \$1 billion in local medical debt, and 8,333 percent return on the local investment;
80 and

81

82 WHEREAS, the wage increases for Milwaukee County correctional officers that
83 was previously funded by Milwaukee County's ARPA funds are now fully-funded by
84 Milwaukee County's 2023 operating budget, freeing up ARPA funds for other aligned
85 and strategic uses; and

86

87 WHEREAS, in January 2023, the City of Wauwatosa will also consider a
88 proposal to purchase and forgive some of its residents' medical debt; now, therefore,

89

90 BE IT RESOLVED, that the Milwaukee County Board of Supervisors authorizes
91 the Medical Debt Forgiveness Fund project supported by ARPA revenue in the amount
92 of \$1,530,000 to the Milwaukee County Department of Administration (DAS); and

93

94 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors
95 hereby authorizes DAS to redeploy the ARPA funding that was previously set aside to
96 provide premium pay for Milwaukee County correctional officers; enter into a nonprofit
97 service contract with RIP Medical Debt and authorizes the expenditure of up to \$1.53
98 million to purchase medical debt of Milwaukee County residents with a household
99 income between 0 and 400 percent of the Federal Poverty Level and with medical debts
100 totaling at least 5 percent of their household income, and to communicate with the
101 debtors that their medical debt has been forgiven; and

102 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors hereby
103 authorizes DAS to provide contracting, fiscal oversight and project management support
104 for the Medical Debt Forgiveness Fund project for a total amount up to \$83,988 for 2023
105 through 2026; and

106

107 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors hereby
108 authorizes the Office of Strategy, Budget and Performance and the Office of the
109 Comptroller to process an administrative appropriation transfer of \$1,613,998 to direct
110 funds to DAS for the Medical Debt Forgiveness Fund program starting January 1, 2023
111 until December 31, 2026; and

112

113 BE IT FURTHER RESOLVED, DAS shall provide a report no less than once per
114 year on the status of the program including aggregate information on the expenditures
115 from the Medical Debt Forgiveness Fund and its impact on improving the fiscal health of
116 Milwaukee County residents; and

117

118 BE IT FURTHER RESOLVED, the County Board authorizes the
119 administrating department, DAS, the Office of Corporation Counsel, Risk Management
120 Division, Community Business Development Partners, Office of the Comptroller, Office

121 of Strategy, Budget and Performance and County Executive, to prepare, review,
122 approve, and execute all contracts and other documents, and take all actions as
123 required for the purpose of administering the above-referenced programs funded by the
124 American Rescue Plan Act grant allocation framework.