

RIP  
 MEDICAL  
DEBT





# Who is RIP Medical Debt?

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- A 501(c)(3) national charity that acquires and abolishes medical debt for people burdened by financial hardship
- Funded by donors (individuals, faith-based organizations, foundations, corporations, and government)
- Founded in 2014
- To date, RIPMD has acquired and abolished \$8.5 billion in medical debt for over 5.5 million families
- MacKenzie Scott provided a \$50 million gift in December 2020 and another \$30 million in November 2022
- Governed by an active, accomplished Board of Directors
- **RIPMD never collects on medical debt**



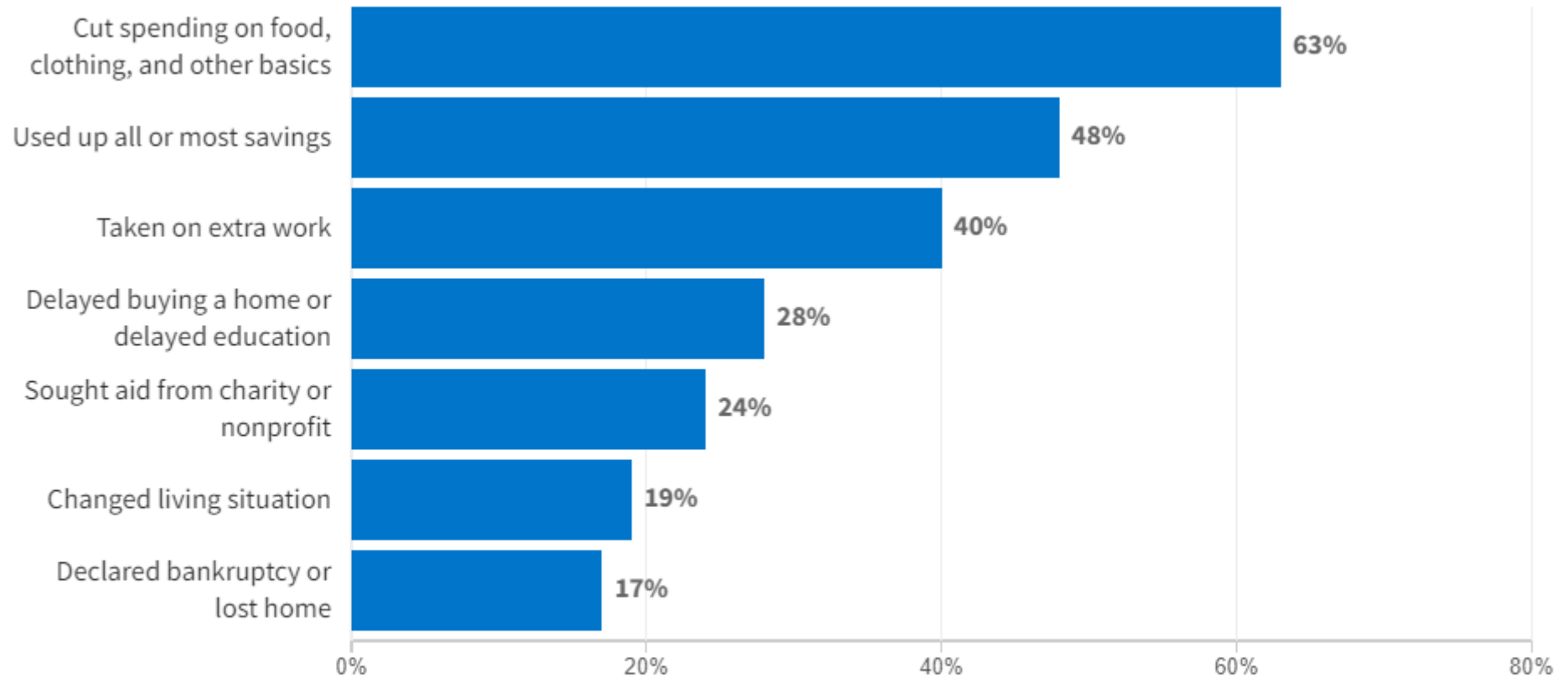
# Why is Medical Debt a Problem?

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- Medical debt is different from other types of debts
- Many households have little savings to buffer the shocks of medical bills
- Medical debt is:
  - More prevalent in communities of color,
  - A contributor to poor physical and mental health,
  - Harmful to credit scores, a drag on economic recovery from COVID-19 pandemic,
  - The leading cause of bankruptcy in the U.S., and
  - Recognized as a social determinant of health.
- Many patients with burdensome medical debt delay the care they need
- These problems exist even when providers don't report unpaid medical bills to credit bureaus or engage in lawsuits

# Economic Impacts of Health Care Debt

Share of indebted adults who have done the following because of health care debt:



Source: KFF Health Care Debt Survey of 2,375 U.S. adults, including 1,674 with current or past debt from medical or dental bills, conducted Feb. 25 through March 20. The margin of sampling error for the overall sample is 3 percentage points.

Credit: Daniel Wood/NPR and Noam N. Levey/KHN

# Medical Debt on Credit Reports

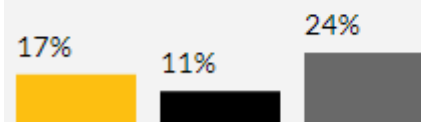
## More Prevalent in Communities of Color

### Medical Debt

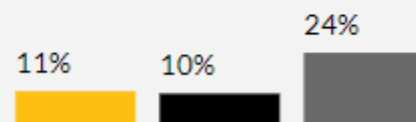
Currently viewing **Share with medical debt in collections**

All ■ White communities ■ Communities of color ■

Milwaukee County



Wisconsin



National



Source: Debt in America – An Interactive Map (Urban Institute), see:

[https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=perc\\_debt\\_med](https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=perc_debt_med)

# What is Being Proposed by Milwaukee County?

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- Milwaukee County to allocate approximately \$1.6 million of federal ARPA funds for medical debt relief through RIPMD
- Goal is \$153 million in medical debt relief for Milwaukee County residents
- RIP Medical Debt would:
  - Serve as a Subrecipient of the county's ARPA funds
  - Contract confidentially with local hospitals (and other healthcare providers) to acquire Qualified Medical Debt
  - Request data files from providers and identify patients (or guarantors) who qualify for medical debt relief
  - Notify program recipients that medical debts have been acquired and "canceled as a gift"
  - Report program success metrics to Milwaukee County

# RIPMD's Debt Abolishment Criteria

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- **Low-income criterion:** Patient (or guarantor) household income between **0% and up to 400%** of Federal Poverty Guidelines, or
  - **Medical debt burden criterion:** The medical debt being assessed represents **5% or more** of annual household income
- \* \* \* \* \*
- **Residency requirement:** To use government funds, program recipients must be residents of the jurisdiction; RIP Medical Debt can use other funds for non-residents, if available

# Similar Initiatives In Place (Or In Process)

Government Jurisdictions	
Cook County, Illinois	Pittsburgh
Toledo and Lucas County, Ohio	Columbus, Cleveland, Akron, Cincinnati
Washington, D.C.	Atlanta, Savannah
New Orleans	Pennsylvania, Rhode Island, New Jersey, Connecticut

**The New York Times** | <https://www.nytimes.com/2022/12/29/us/toledo-medical-debt-relief.html>

## *Medical Debt Is Being Erased in Ohio and Illinois. Is Your Town Next?*

Cook County, Ill., and Toledo, Ohio, are turning to the American Rescue Plan to wipe out residents' medical debt. Experts caution it is a short-term solution.

By Amanda Holpuch

Dec. 29, 2022, 5:30 a.m. ET

5 MIN READ

In the next few weeks, tens of thousands of people in Cook County, Ill., will open their mailboxes to find a letter from the county government explaining that their medical debt has been paid off.

Officials in New Orleans and Toledo, Ohio, are finalizing contracts so that tens of thousands of residents can receive a similar letter in the coming year. In Pittsburgh on Dec. 19, the City Council approved a budget that would include \$1 million for medical debt relief.



# RIPMD's Unique Win, Win, Win Solution



## Patient Benefits

- Abolish debt tax-free
- Improve credit score
- Relieve stress
- Enhance access to care
- Afford basic necessities



## Community Benefits

- Address a social determinant of health
- Enhance health equity
- Address economic, health impacts of pandemic
- Address impact of inflation and housing costs



## Hospital Benefits

- Sell uncollectible, dormant patient receivables (non-performing asset)
- Receive cash
- Improve financial assistance process
- Improve medical staff and employee satisfaction



# Appendix Materials

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- Hospital/Provider Transactions To Date
- How RIPMD Works With Providers
- Testimonials
  - From Providers
  - From Program Recipients

# Hospital/Provider Transactions (N=69)

Health System	Location	Hospitals/Practices
Ballad Health	Tennessee/Virginia	21
Vituity (Hospital-Based Physician Company)	Across U.S.	5 States
Heywood	Massachusetts	1 (Donated Accounts)
For-Profit Hospital Group <sup>1</sup>	Multiple States	5
Freestanding Children's Hospital	Southeast	1
Academic Medical Center	Mid-Atlantic State	4
Hospital System	Southeast	2
Hospital System	Southeast	3
For-Profit Psychiatric Hospital <sup>1</sup>	Southeast	1
Freestanding Hospital	Southwest	1
Multi-Hospital, Catholic Health System	Multiple States	17
Hospital System	Upper Midwest	6
Freestanding Hospital	Upper Midwest	1
Public (County-Owned) Hospital	West Coast	1

<sup>1</sup>All other hospitals are tax-exempt organizations.

# How RIPMD Works With Providers

RIPMD's Debt Acquisition and Abolishment Process (2-4 Months)

BAA and NDA Signed

Data File Transmitted Securely

Qualification and Pricing Analysis Prepared

FAP Feedback Provided

Decisions Made Regarding Transaction

Communications Strategy Developed

Medical Debts Abolished, "Return File" Provided

Patients Notified

Derogatory Credit Information (If Any) Removed

Communications Strategy Implemented

PRIMARY RESPONSIBILITY

Healthcare Organization

RIPMD

Healthcare Organization *and* RIPMD

# The Win-Win-Win in Action

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## **Gregg Miller, MD, Chief Medical Officer, Vituity**

“We had a very positive experience working with RIP Medical Debt. Forgiving so much patient debt for financially vulnerable patients highlighted to our organization that we really do live our values of providing great patient care and supporting our community. The whole team was really inspired by this partnership.”

## **Anthony Keck, Chief Population Health Officer, Ballad Health**

“By removing this burden of old debt, we hope to better engage with our patients, so they access care and other services when they need them without the fear of unmanageable expenses.”

## **Christine M. Pearson, CPA, CFO AnMed Health System**

“We are so proud to partner with RIP Medical, aligning our goals to serve our community's health care needs, while also addressing the financial impact”

# What Patients Say

**T.J.**

Columbus, OHIO

Amount abolished: \$688.19

OMG my days have been full of God's love for me. This letter changed my mind and gave me new insight on his Love and the unexpected blessings from RIP Medical Debt. Thanks so much for the help. I have a long way to go, but what a beautiful start to it all. May God continue to bless you all!!! Love and kisses. Thanks.

**Courtney**

Columbus, OHIO

Amount abolished: \$2,863.35

I am writing this thank you message with tears in my eyes. I am so thankful. This bill was for the birth of my daughter. I paid as much as I could and then life as we knew it stopped. I could no longer pay anything for this bill while still trying to survive. I am so greatly appreciative and most thankful for this blessing. Thank you, thank you, thank you.

**Brenda R.**

Rincon, GEORGIA

Amount abolished: \$837.91

I cried when I read this letter. Thank you so. I have been diagnosed with congestive heart failure and copd--my husband is on oxygen. The bills keep piling up and I am the only one working, but for how long I am not sure. So thank you so much.