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6 **AN AMENDED RESOLUTION**

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8 Appropriating \$1,613,988 in American Rescue Plan Act (ARPA) funds to purchase and
9 forgive approximately \$153 million of Milwaukee County residents' medical debt,
10 supporting approximately 67,000 neighbors-in-need
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13 WHEREAS, Milwaukee County's vision is to become the healthiest county in
14 Wisconsin by addressing racial health inequities and social determinants of health; and
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16 WHEREAS, a growing body of research from U.S. universities demonstrates that
17 unpaid medical bills can worsen social determinants of health – and moreover, the debt
18 itself is likely a social determinant of health; and
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20 WHEREAS, according to a May 19, 2021 Sycamore Institute article titled, "How
21 Medical Debt Affects Health," medical debt can negatively impact people's credit
22 scores, their ability to purchase a vehicle or a home, their ability to pay other loans and
23 more, exacerbating their economic stability and mobility; and
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25 WHEREAS, according to the aforementioned Sycamore Institute article, people
26 who have medical debt or trouble paying their medical bills are more likely to avoid
27 seeking medical treatment for ailments and are more likely to have health issues –
28 including high blood pressure, worse self-reported health status, poorer mental health,
29 and shorter life expectancy; and
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31 WHEREAS, according to the October 25, 2021 Fox Business web article,
32 "Medical debt is the leading cause of bankruptcy, data shows," medical debt is the
33 largest single cause of bankruptcy in America, according to the National Consumer Law
34 Center (NCLC), and more than half of debtors have medical debt as part of their
35 bankruptcy filings; and
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37 WHEREAS, according to a March 11, 2022 CNBC web article, "Over half of
38 Americans have medical debt, even those with health insurance – here's why," over half
39 of Americans have medical debt, even those with health insurance, and a quarter of
40 Americans owe \$10,000 or more in medical debt; and

41 WHEREAS, according to the aforementioned CNBC article, the largest
42 contributors to medical debt in America are emergency room visits (46 percent),
43 COVID-19 treatment (30 percent), and mental health treatment (23 percent); and
44

45 WHEREAS, the December 2021 Health Affairs journal article, "Hospital Lawsuits
46 Over Unpaid Bills Increased By 37 Percent in Wisconsin From 2001 To 2018," hospital
47 lawsuits over unpaid bills increased by 37 percent in Wisconsin from 2001 to 2018, with
48 lawsuits being disproportionately directed at Black and African American patients living
49 in poorer areas; and
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51 WHEREAS, according to the 2019 U.S. Census Bureau's American Community
52 Survey, 11 percent of the white population holds medical debt while 24 percent of
53 people of color in Milwaukee County hold medical debt; and
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55 WHEREAS, RIP Medical Debt is a 501(c)(3) charitable organization supported by
56 MacKenzie Scott (author and ex-wife of Amazon founder Jeff Bezos) which works to
57 eliminate personal medical debt for those who have accrued a significant amount of
58 medical debt (5 percent+ of their estimated household income) and are unlikely to be
59 able to pay down their debts (household incomes in between 0 percent and 400 percent
60 of the Federal Poverty Level); and
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62 WHEREAS, RIP Medical Debt estimates 67,000 Milwaukee County residents
63 who meet their criteria for support hold approximately \$153 million in medical debt,
64 which could potentially be purchased in total with \$1.53 million, a 10,000 percent
65 potential return on Milwaukee County's investment; and
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67 WHEREAS, counties and municipalities such as Toledo, Ohio; Lucas County,
68 Ohio; and Cook County, Illinois; and New Orleans, Louisiana have launched programs
69 in partnership with RIP Medical Debt to purchase medical debt from health systems for
70 pennies on the dollar, and forgive it, freeing the debtors from the negative physical and
71 financial consequences of medical debt; and
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73 WHEREAS, according to the November 10, 2022 *The Blade* Editorial Board
74 opinion, Toledo and Lucas County in Ohio aim to use \$1.6 million in ARPA funds to
75 purchase and forgive as much as \$200 million in medical debt for their local residents, a
76 12,500 percent return on their investments; and
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78 WHEREAS, according to the July 21, 2022 *Chicago Tribune* article, "Cook
79 County hopes to eliminate \$1 billion in residents' medical debt. Here's how.," Cook
80 County, Illinois aims to leverage \$12 million over the next three years to purchase and
81 forgive \$1 billion in local medical debt, and 8,333 percent return on the local investment;
82 and

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WHEREAS, at its meeting on March 9, 2023, the American Rescue Plan Act (ARPA) Task Force unanimously recommended a \$500,000 allocation of ARPA funds for the Milwaukee Premium Assistance Program, which is a complementary program to the Medical Debt Forgiveness Fund Project; and

WHEREAS, to help expedite County Board approval of the Milwaukee Premium Assistance Program, this resolution was amended by the Committee on Finance at its meeting on March 16, 2023, and the informational contents of the program contained in File HRA23-55 have been attached to this file and are summarized in the subsequent clauses below; and

WHEREAS, more than 400,000 Milwaukee County residents are enrolled in Medicaid programs as of December 2022; and, due to the Federal Public Health Emergency declaration, they have been continuously eligible for Medicaid coverage, without interruption, since 2020; and

WHEREAS, the Federal Public Health Emergency ends in April 2023, with it ending the Medicaid COVID continuous eligibility provision; the Milwaukee Enrollment Network estimates that 90,000 residents of Milwaukee County may lose their coverage between June 2023 and June 2024; and

WHEREAS, a collective group of institutions exist that may include non-profits, health care and health insurance organizations, forming a Milwaukee Premium Assistance Program that will cover insurance premiums for Milwaukee County residents with household income between 100 and 138 percent of the Federal Poverty Level (FPL) from 2023 to 2025; the program estimates that up to 5,000 residents per year will make use of the benefit; and

WHEREAS, the Milwaukee County Strategic Plan speaks to the County’s intention to improve health of residents by investing in upstream interventions; and

WHEREAS, ensuring residents with household income between 100 and 138 percent have adequate insurance coverage contributes to better health outcomes for those residents; and

WHEREAS, a collective group of institutions in Dane County have operated the “Health Connect” program that covers premiums for low income residents and families for just under 10 years, with over 90 percent retention rate for program participants; the Milwaukee Premium Assistance Program has been modeled after “Health Connect”; and

126 **WHEREAS, allocating a total of \$2,113,988 to the Medical Debt Forgiveness**
127 **Fund (\$1,613,988) and the Milwaukee Premium Assistance Program (\$500,000)**
128 **will help improve the health of County residents; and**
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130 WHEREAS, the Committee on Finance, at its meeting of March 16, 2023,
131 recommended adoption of File No. 23-377 as amended (vote 5-1); now, therefore,
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133 BE IT RESOLVED, that the Milwaukee County Board of Supervisors authorizes
134 and allocates \$1,613,998 of American Rescue Plan Act (ARPA) funds to the Medical
135 Debt Forgiveness Fund project administered by the Milwaukee County Department of
136 Health and Human Services (DHHS); and
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138 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors
139 hereby authorizes DHHS to enter into a nonprofit sole source service contract with RIP
140 Medical Debt and authorizes the expenditure of up to \$1.53 million to purchase medical
141 debt of Milwaukee County residents with a household income between 0 and 400
142 percent of the Federal Poverty Level and medical debts totaling at least 5 percent of
143 their household income, and to communicate with the debtors that their medical debt
144 has been forgiven; and

145 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors
146 hereby authorizes DHHS to provide contracting, fiscal oversight and project
147 management support for the Medical Debt Forgiveness Fund project for a total amount
148 up to \$83,988 for 2023 through 2026; and
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150 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors
151 hereby authorizes the Office of Strategy, Budget and Performance and the Office of the
152 Comptroller to process an administrative appropriation transfer of \$1,613,998 to direct
153 funds to DHHS for the Medical Debt Forgiveness Fund program starting January 1,
154 2023 until December 31, 2026; and
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156 **BE IT FURTHER RESOLVED, that the Milwaukee County Board of**
157 **Supervisors authorizes the Milwaukee Premium Assistance Program project**
158 **supported by ARPA revenue in the amount of \$500,000 to the Milwaukee County**
159 **Department of Health and Human Services (DHHS); and**
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161 **BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors**
162 **hereby authorizes DHHS the expenditure of up to \$500,000 to support insurance**
163 **premiums of Milwaukee County residents with a household income between 100**
164 **and 138 percent of the Federal Poverty Level; and**
165

166 **BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors**
167 **hereby authorizes the Office of Strategy, Budget and Performance and the Office**

168 **of the Comptroller to process an administrative appropriation transfer of \$500,000**
169 **to direct funds to DHHS for the Milwaukee Premium Assistance Program starting**
170 **January 1, 2023 until December 31, 2026; and**

171
172 BE IT FURTHER RESOLVED, DHHS shall provide a report no less than once
173 per year on the status of the **se programs** including aggregate information on the
174 expenditures from the Medical Debt Forgiveness Fund **and Milwaukee Premium**
175 **Assistance Program** and its impact on improving the fiscal health of Milwaukee County
176 residents; and

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178 BE IT FURTHER RESOLVED, the County Board authorizes the Department of
179 Health and Human Services (DHHS), Department of Administrative Services (DAS), the
180 Office of Corporation Counsel, Risk Management Division, Community Business
181 Development Partners, Office of the Comptroller, Office of Strategy, Budget and
182 Performance and County Executive, to prepare, review, approve, and execute all
183 contracts and other documents, and take all actions as required for the purpose of
184 administering the above-referenced programs funded by the American Rescue Plan Act
185 grant allocation framework.

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188 03/16/2023
189 S:\Committees\2023\March\FINANCE\Resolutions\23-377 Rolland - ARPA Funding for Medical Expenses - no
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