

RIP
 MEDICAL
DEBT

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RIP in the Media: Medical Debt Getting More Attention

INVESTIGATE

Consumer
Diagnosed with Debt: Many Americans face financial hardships from crushing unpaid medical bills

CBS NEWS

SUNDAY MORNING

A charity that abolishes medical debt

NP

Eliminating Healthcare Debt: A Liberatory Approach

MSNBC

We went viral by forgiving millions in medical debt. Here's how.

We can't look away from the heartbreaking realities of medical debt in this country.

Stateline

New Safeguards May Help Those Who Are Drowning in Medical Debt

The Washington Post

Cook County erases medical debt. Your weekly non political stories.

npr

DIAGNOSIS: DEBT

Some hospitals rake in high profits while their patients are loaded with medical debt

AP NEWS

Governments target medical debt with COVID relief funds

Vex

A wonky Arizona ballot measure could unlock a new path to easing medical debt

THE CHRONICLE OF PHILANTHROPY

CEO of RIP Medical Debt Talks About Innovation and Debt Cancellation

CNN US

A church is canceling people's medical debt for pennies on the dollar. It wants others to join in

White House Invitation

- On July 13th of 2023, the White House issued a [Fact Sheet](#) outlining its approach to tackling rising healthcare costs and successes so far.
- RIPMD was acknowledged for **Expertise**.
- A proposed new federal rule would amend loopholes that allow non-comprehensive, “junk insurance” plans to flood the market and leave unsuspecting people with surprise medical debt.
- For the first time, the Consumer Financial Protection Bureau (CFPB), Health & Human Services (HHS) and Treasury Joined forces to understand the prevalence of medical credit cards and loans offered by providers which often have deferred (and very high) interest rates.



RIP's CEO & president, [Allison Sesso](#), and VP of Policy, [Eva Stahl](#)



“Ordinary Angels” Unites Forces with RIP Medical Debt, Donate Life America, and The Salvation Army USA to Pay it Forward

Active campaign on website

Goal to erase \$10,000,000 in un-payable medical debt



2016 - John Oliver's segment

CARP donated nearly \$15M of medical debt to RIPMD from to assist patients since RIP's debt forgiveness is tax free.

Background on RIP Medical Debt

- A 501(c)(3) national charity, founded in 2014, that acquires and abolishes medical debt for people burdened by financial hardship.
- Funded by donors, including individuals, faith-based organizations, foundations, corporations, and now local government.
- Charity Navigator – 4-star rating.
- To date, RIPMD has acquired and abolished \$12 billion in medical debt for over 7.4 million families; \$126 Million Veterans for over 74k individuals.
- Received a \$50 million gift from MacKenzie Scott in December 2020 and a second gift of \$30 million in November 2022.
- Governed by an active, accomplished Board.
- Partnering with community groups to increase impact.
- Obtained HHS OIG Advisory Opinion #20-04 in July 2020
- **RIPMD never collects on medical debt**

What Does RIPMD Do as a Charity?

RIP Medical Debt...

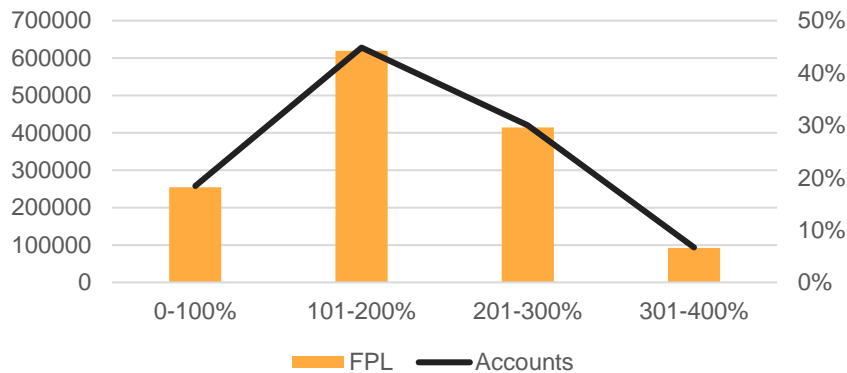
- Evaluates bad debt that has gone through in-house and outsourced collection processes.
- Purchases those accounts that qualify (5% of income or below 400% FPL) utilizing our generous donors funds.
- Provides a report of debt that qualifies for our criteria.
- Never collects and is not a traditional debt buyer.
- Relieves that debt for the patients that qualified.
- Notifies the patient/guarantor that the debt is no longer owed.
- Establishes a long-term relationship with forward flow opportunities and becomes a part of the provider revenue cycle processes.
- Provides feedback and data analytics on provider's current FAP.
- Provides feedback from patients after the debt is relieved.

Audit Findings

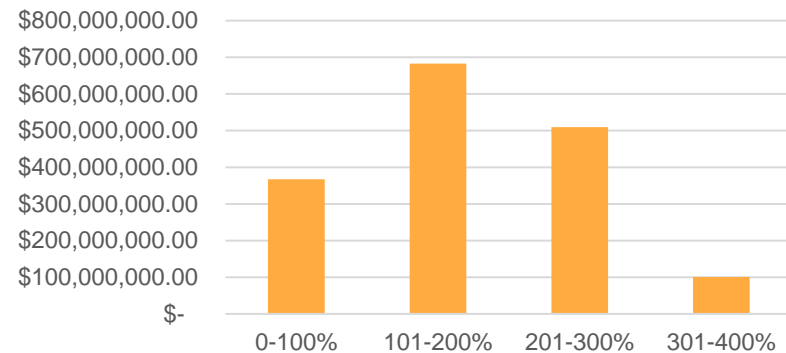
We analyzed the data for 5 large hospital transactions:

- Four of the facilities were nonprofits, one was a governmental county facility.
- These transactions abolished over 1.3 million patient accounts = Approx. \$1.6 M.
- 63% of the abolished accounts had income levels less than 200% FPL = Approx. \$1M.
- 30% of the abolished accounts had income levels between 200 to 300% FPL = Approx. \$500k.
- Only 7% of the abolished accounts had income levels between 300 to 400% FPL = Approx. \$100k.
- All of the hospitals had financial assistance policies in place.

Qualified Accounts



Dollar Amounts



Who Often Qualifies for RIPMD's Program?

- Never applied for Financial Assistance Policies (FAP)
 - We like to use the 3 E's: Early, Easy, Everywhere. Offer it early, make it easy to apply and remove things that you request documentation on but don't look at, and post the FAP everywhere from reception to the bathrooms. A lot of patients don't apply because they're either too proud, or don't know about available assistance. Making sure that all of your staff is aware of your FAP is super helpful, in passing they can mention it to patients and point them to the right person in billing or business office.
- Were not assessed for FAP eligibility using presumptive charity scoring (e.g., because only uninsured patients are scored) – having a PE tool would be helpful in these instances.
- Didn't receive presumptive charity due to high propensity to pay – Not basing discounting on propensity to pay and looking at the ability to pay instead would be helpful.
- Received services before FAP updates were implemented.
- Patient's income levels have changed since the provider's review - Experienced financial hardship after the window of opportunity to apply for Financial Assistance closed.
- Were found ineligible for financial assistance due to FAP limits (assets, residency, other).
- Qualify based on RIPMD's 5% medical debt or 400% FPL burden criterion – Raising FPL limits, removing residency requirements, etc.

Why Medical Debt is a Problem?

- Medical debt is different from other types of debts.
- Many 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.
 - The leading cause of bankruptcy in the U.S.
 - Recognized as a social determinant of health.
- Many patients with medical debt delay the care they need.
Even if the provider has stopped collection attempts, the patient remembers and may avoid care for fear of more debt.

Why Providers Can't Easily Solve It

- Insured increasingly have high, unaffordable deductibles and OOP maximums.
- Many have insurance coverage gaps, particularly those experiencing economic disruptions.
- Payer denials can increase patient balances.
- Uninsured patients are not always eligible for Medicaid.
- Medicaid Expansion did not extend to all of the states.
- Many patients do not apply for financial assistance because they didn't know about it or it was too difficult.
- Presumptive eligibility transactions are expensive to run repeatedly for the entire patient receivable.
 - I actually spoke with a rural hospital in PA a while back and they had never even heard of a PE tool, awareness can be a factor in here also.
- High staff turnover in billing departments, and billers being overwhelmed in the chaos of collections and trying to keep up with daily tasks, while new claims continue to be generated. Inevitably the focus of revenue cycle operations ends up on accounts under a year old due to insurance timely filing restrictions, while coders are trying to keep up with insurance modifier/requirement changes. Then there is the complexities of continuity of care authorizations, prior authorizations, reconsiderations and appeals, and all the above.

Medical Debt is Pervasive

“Medical debt can happen to almost anyone in the United States, but this debt is most pronounced among people who are already struggling with poor health, financial insecurity, or both.”

\$195 billion in medical debt in the U.S.

4 in 10 adults currently have medical debt

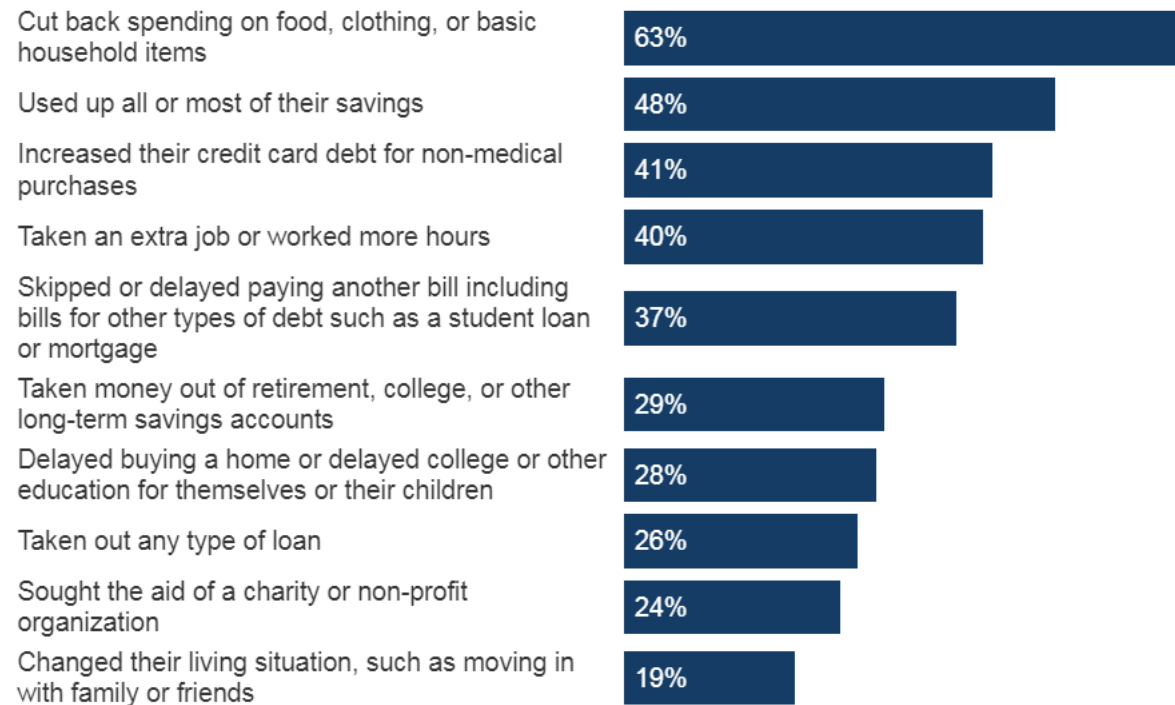
<https://www.kff.org/report-section/kff-health-care-debt-survey-main-findings/>



How are people paying medical bills?

Six In Ten Adults With Health Care Debt Say They Or Their Household Has Had To Cut Back Spending On Basic Necessities To Pay Down Debt, Half Have Used Up Their Savings

Percent who say in the past five years, they or someone else in their household has...as a result of their health care debt:



NOTE: Among those with health care debt. See topline for full question wording.

SOURCE: KFF Health Care Debt Survey (Feb. 25-Mar. 20, 2022) • [PNG](#)

Presumptive Eligibility

- Including a presumptive screening will save time and resources for facilities, as well as reduce or eliminate collection efforts, it can lead to positive office morale, less turnover/more automation.
- We suggest that providers that are able to, to investigate implementing a presumptive eligibility verification process for all insured and uninsured balances, prior to sending accounts to collection agencies; this way you can truly send those with the ability to pay.
- Most of the balances that we purchase and abolish are for insured patients, a lot of providers that do already utilize PE don't run it for the insured population.
- Crow conducted a [study](#) August 2022 and found that since 2018, patient balances have tripled because of high balance deductibles and out of pocket maximums. Hospitals now have higher write offs than ever before because of underinsured patients.
- Consider raising the FPL percentage cap on assistance qualification.
- RIP does not endorse but here are some programs that we are aware of that offer PE as a tool: Experian, RevCo, Waystar, FinThrive.

DOLLAR FOR 

Managing charity care doesn't have to be hard.

Are you...



Missing opportunities to fulfill your nonprofit mission and serve your community?



Wasting time and resources trying to collect from people who can't afford to pay?



Risking negative media attention, harm to your reputation, and even exposure to regulatory or legal action?



Optimizing your recognition of uncompensated care and improving your DSH payments?

Dollar For is a 501(c)(3) nonprofit. Since 2019, we've helped patients submit over **10,000 financial assistance applications nationwide**, yielding \$40 million in medical debt relief.

Our easy-to-use online tools and direct patient services are efficient, effective, and patient-centered.

Cut down on administrative, printing, and mailing costs. **Making charity care known and easy is a win-win for your hospital, your patients, and your community.**

How it works:

1

Patients self-screen for charity care eligibility using Dollar For's online tool.

2

Qualified patients fill out an application and upload required documents, on a computer or mobile phone, in English or Spanish.

3

You receive completed applications and documents digitally or by fax.

4

Dollar For's professional patient advocates follow up with patients to clarify responses, obtain documents, and answer questions.

5

You make the final charity care determination and notify the patient.

Best Billing Practices

- Improve financial assistance awareness by offering to every patient and provide ease of web application access in 2 clicks or less. Ensure non-billing staff are aware of availability and access.
- Utilize community benefits and programs when available.
- Earlier outreach for financial assistance. Provide the good faith estimate and financial assistance application at the same time. Call before sending to collections and/or utilize a PE software if possible.
- Screen for Medicaid and FAP onsite, prior to patients discharging or services being rendered.
- Automate self-pay discount adjustments prior to sending statements.
- Send relief letters to patients once balances are adjusted.
- Administrative awareness of culture, regular trainings, and policies matching practice.
- Anonymous regular employee surveys for honest feedback.

RIPMD's Unique Win, Win, Win Solution



Patient Benefits

- Abolish debt tax-free
- Relieve stress
- Improve credit score
- Afford basic necessities



Community Benefits

- Address a social determinant of health
- Enhance health equity
- Address impact of inflation and housing costs



Provider Benefits

- Receive cash
- Abolish patient debt
- Address limitations in patient economic assessment
- Improve financial assistance process

Key Take Aways

1. **The three E's:** FAP to be offered **E**arly, Made **E**asy, and posted **E**verywhere.
2. **Presumptive Eligibility** – for the insured and uninsured patients.
3. **Consider utilizing Dollar For** – whether utilizing their FAP pilot program for a small fee or referring patients that need to find a payor source at no cost.

RIPMD is rebranding - Check our website on Monday! www.ripmedicaldebt.org

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Q & A