

WHAT HAPPENS IF YOU DON'T PAY A MEDICAL BILL

- About 43 million Americans have unpaid medical debt dingling their credit
- Half of all overdue debt in US is from medical expenses (Consumer Financial Protection Bureau)
- Typically from:
 - out-of-network doctors
 - hospital stays
 - or ambulance rides
- 1 in 6 Americans with insurance received a surprise out-of-network medical bill in 2017 after being treated in a hospital (Kaiser Health News).
- Although the No Surprises Act has reduced the number of out-of-network bills, it does not evaluate a patient's ability to pay or reduce deductibles and copays.



The Atlantic
Aug. 28, 2019

Tennessee Online Debt Resolution (ODR) Pilot Program (est. 2019)

Addresses TN Medical Debt Problems

- ▶ 93 of 95 counties in TN have medical debt above the national average
- ▶ Tennessee has the 10th rate of medical debt in the country
- ▶ Collection cases filed in General Sessions Court
- ▶ Majority result in default because debtor doesn't show up
- ▶ Judgements appear on credit report; credit score goes down

How does the TGSJC fit into the pilot?

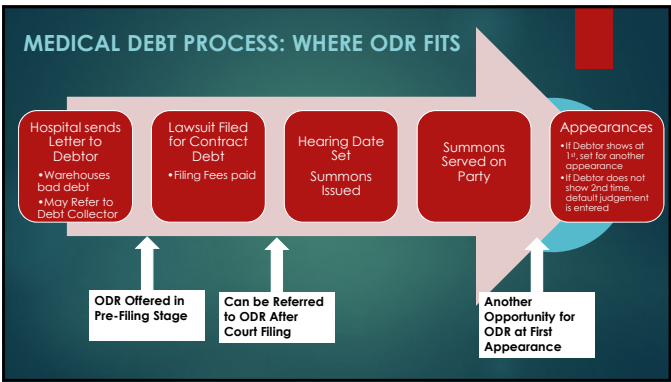
TGSJC stamp of approval & participation

The Tennessee General Sessions Judges Conference plays a pivotal role in this ODR pilot project, even though the project is pre-suit. **By publicly signaling its support of the ODR pilot, the court is able to add a layer of credibility and trust to the project.** Debtors and the public can see that the court has approved of and invested time into the project and encourages those who are selected to opt into using the ODR pilot to resolve their medical debt issues. Buy-in from the local court is a key component to the success of the first phase of the pilot project and will be paramount to continued expansion and enhancement across Tennessee.

PILOT PARTICIPANTS

- ▶ Hamilton County General Sessions **Judge Alexander McVeagh** has stepped up to sponsor the Pilot.
- ▶ **Erlanger** volunteered to be the pilot Provider. We will use an ODR software platform as an initial facilitator between the Provider and the Patient **before suit** is brought.
- ▶ **Legal Aid of East TN** is providing input and looking at ways to facilitate debtor rights in the process.
- ▶ **Rule 31 Mediators** have volunteered to facilitate settlement discussions as needed by the parties.
- ▶ Alternative Dispute Resolution Commission and the Access to Justice Commission have enlisted the services of volunteer mediators and Legal Aid Services attorneys.
- ▶ **Community Mediation Centers** from across the state have volunteered their mediators interested in serving in order to expand the reach of trained problem solvers.





ODR Pilot Goal:

Create an easy-to-understand application using technology, legal assistance, mediation and judicial resources for pre-court filing resolution services.

Goals for the application:

- ▶ minimize burdens on the courts;
- ▶ enhance access to justice; and
- ▶ be available 24/7.

The ODR platform can serve as a desirable tool for claim resolution across the state in many areas of legal claims, in addition to medical debt.



ODR Pilot Phase 1 aka "Soft Roll-Out"



- ▶ Who gets invited to the pilot?
- ▶ Erlanger patients who completed Erlanger's billing cycle (4 months of statements and phone calls) without responding and had received at least two letters from Erlanger's internal collections department, with at least one letter being directly from an attorney explicitly stating that the next action on the account would be either credit reporting and collections or the initiation of a lawsuit.
- ▶ 238 email invites, in addition to over a thousand paper correspondence/invites, were sent to the patients from April to November 2021.
- ▶ 66 (28%) patients who had previously been unresponsive engaged Erlanger to discuss debt resolution. All of those patients received an email invite.
- ▶ Of these 66 patients, 42 (70%) resolved their debt through lump-sum payments, payment plans or application of financial assistance.

ODR PILOT PHASE 2 RESULTS



Phase 2A: Invitation Date Range: Feb 2022 – Dec 2022
Total Invited Patients: 426
Total Platform Registrations: 117 (27%)
Total Resolutions: 84 (76%)
Mediator Request: 61 (52% of all registrations)
Mediator Resolved: 35 (57% of cases where requested)

Phase 2B: Invitation Date Range: Aug 2023 – Dec 2023
Total Invited Patients: 736
Total Platform Registrations: 197 (27%)
Resolutions: 136 (69%), with 8 cases still pending
Mediator Requested: 110 (56% of all registrations)
Mediator Resolved: 75 (68% of cases where requested)

Note: In Phase 2B, Erlanger moved the email invite to earlier in its collection process, prior to attorney involvement.

PHASE 2 DEBT STATISTICS



- ▶ Amount of Debt invited: \$1,882,291.27
- ▶ Amount of Debt (at Invite) of Registered Patients: \$508,326.86
- ▶ Amount of Debt (at Invite) of Registered Patients who reached a Resolution: \$331,989.78*
- ▶ Amount of Debt Resolved: \$553,465.69*
- ▶ Debt Resolution Increase Over Invite Amount (for Registered Patients who reached a Resolution): 67%
- ▶ Percentage of Debt Resolved Compared to Invited: 29%

*Does not include 8 active cases at time of data compilation

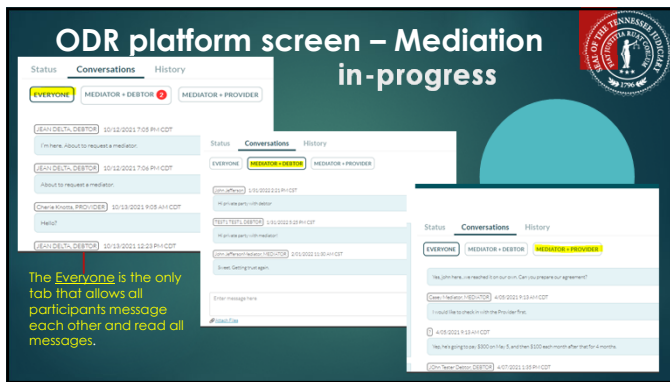
Phase 2B Timelines

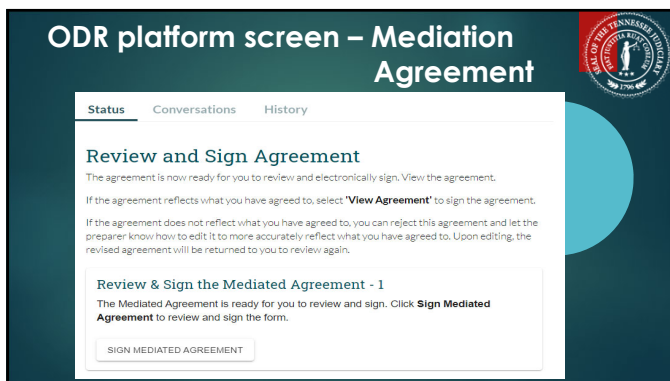
- ▶ Average Number of Days Between Invite and Registration: 3
- ▶ Average Number of Days Between Invite and Closure: 21
- ▶ Average Number of Days Between Invite and Closure when no Resolution is reached: 27
- ▶ Average Number of Days Between Invite and Closure a Resolution is reached: 19

ODR platform – Home Page with open tabs: Home, About, FAQ

ODR platform screen –Case Initiation by provider & debtor







Want to discuss with Steering Committee Members?

If you are interested and want to talk more – email us...

Contacts:

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