



RIP MEDICAL DEBT



Who is RIP Medical Debt?

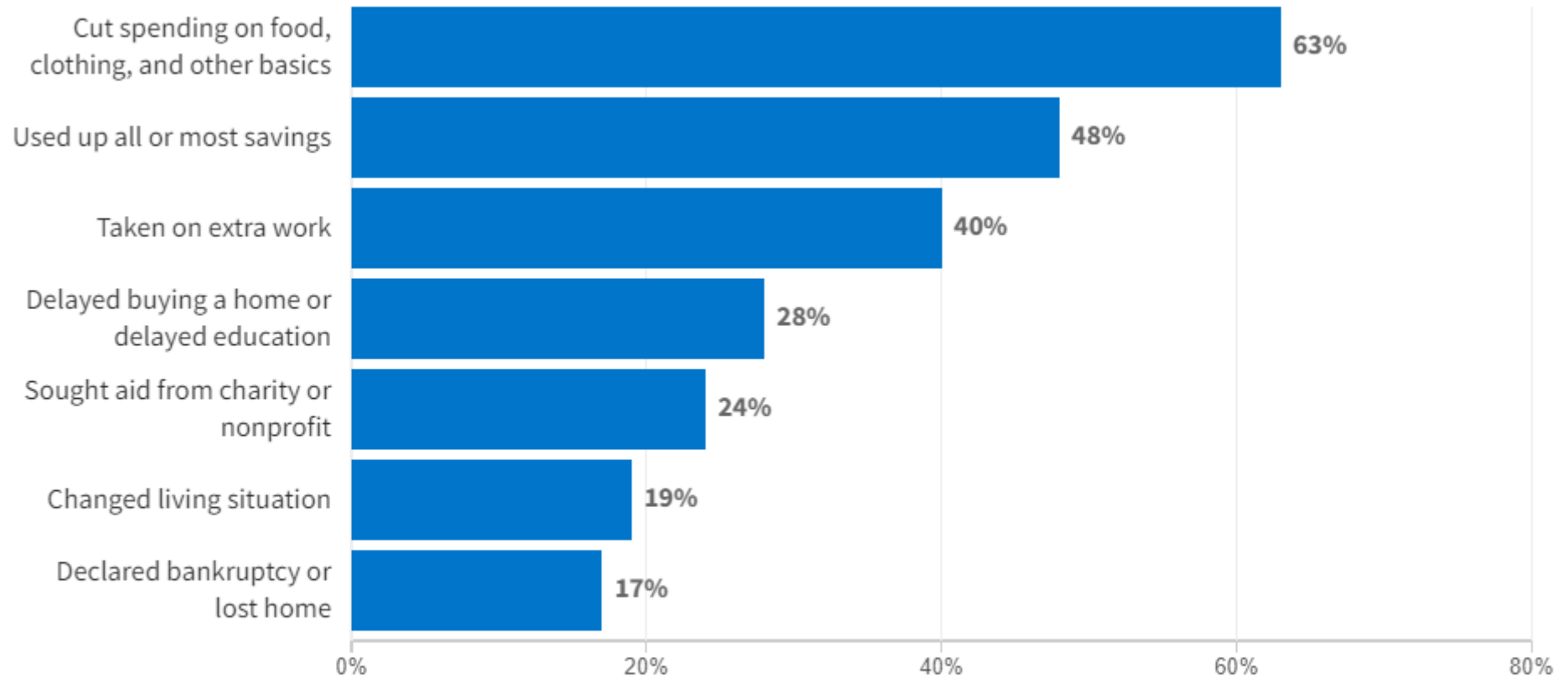
- A 501(c)(3) national charity that acquires and abolishes medical debt for people burdened by financial hardship
- Funded by donors (individuals, faith-based organizations, foundations, corporations, and government)
- Founded in 2014
- To date, RIPMD has acquired and abolished \$8.5 billion in medical 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?

- 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 after providers have stopped billing or if they don't rely on adverse credit reporting or lawsuits

Economic Impacts of Health Care Debt

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

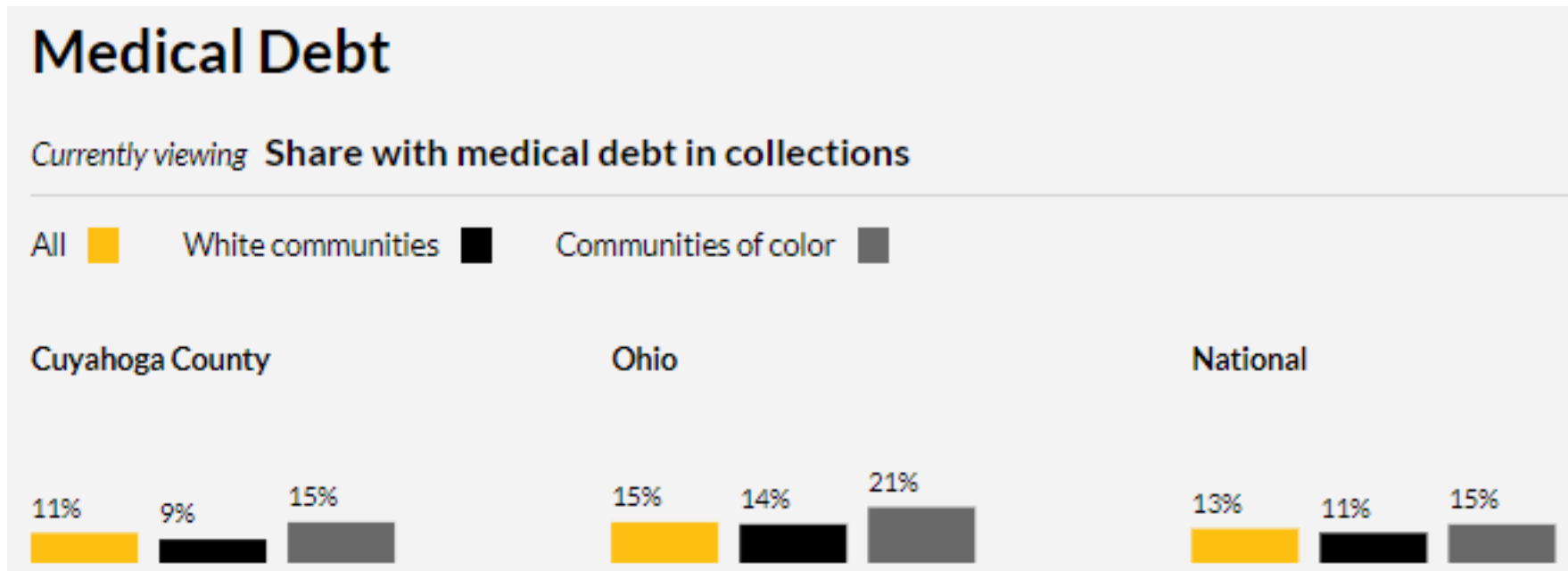


Source: KFF Health Care Debt Survey of 2,375 U.S. adults, including 1,674 with current or past debt from medical or dental bills, conducted Feb. 25 through March 20. The margin of sampling error for the overall sample is 3 percentage points.

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

Medical Debt on Credit Reports

More Prevalent in Communities of Color



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

https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=perc_debt_med

RIPMD's Debt Abolishment Criteria

- **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 City of Cleveland funds, program recipients must be city residents; RIP Medical Debt uses other funds for non-residents, as available

What is Being Proposed by the City of Cleveland?

- Cleveland may appropriate \$1.9 million to provide medical debt relief
- For every \$1 appropriated, \$100 in medical debt can be canceled
- RIP Medical Debt:
 - Contracts with government agency
 - Recruits hospitals (and other healthcare providers) on a confidential basis and acquires qualified medical debt
 - Communicates with program recipients that medical debts have been acquired and “canceled as a gift”
 - Invoices the City for program costs
 - Reports program success metrics (e.g., recipients by ZIP Code, race/ethnicity, age group, but not by provider)

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.	Milwaukee County
Somerville, MA	Savannah, GA
New Orleans	PA, MI, RI, NJ, NY, CT, OH

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
- Enhance medical staff and employee satisfaction



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.

What Providers Say

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"



Appendix Materials

- Hospital/Provider Transactions To Date
- How RIPMD Works With Providers

Hospital/Provider Transactions

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 ¹	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 ¹	Southeast	1
Freestanding Hospital	Southwest	1
Multi-Hospital, Catholic Health System	Multiple States	20+
Hospital System	Upper Midwest	6
Freestanding Hospital	Upper Midwest	1
Public (County-Owned) Hospital	West Coast	1

¹All 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

Decisions Made Regarding
Transaction

Communications Strategy
Developed

Medical Debts Abolished,
Detailed "Return File" Provided

Patients Notified

PRIMARY RESPONSIBILITY

Healthcare Organization

RIPMD

Healthcare Organization *and*
RIPMD

Derogatory Credit Information
(If Any) Removed

Communications Strategy
Implemented