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Minnesota Nurses Buy and Forgive \$2.6 million of Medical Debt

Nurses Repay Community for Help During Strike

(St. Paul) – June 19, 2017 – Members of the Minnesota Nurses Association purchased the past due accounts of 1,800 families that will be forgiven in order to free these Minnesotans from the burden of oppressive medical debt. Nurses were encouraged to give back to the community after all the support they received during the 2016 strikes against Allina Health.

MNA partnered with RIP Medical Debt, a New York-based non-profit, to locate and acquire the accounts. The names and details of those accounts are still private, but all the consumers will soon be notified that their accounts have been acquired and the debts forgiven. Just like a collection agency, RIP Medical Debt is able to acquire the debt at a fraction of the value. MNA paid \$28,000 for the \$2.6 million balance.

“Nurses are happy to allow these families to be free of their debt,” said Mary Turner, MNA president. “They’ve had this medical debt hanging over their heads for two years or more. It’s cost them their credit, pushed them toward bankruptcy, and hurt them in so many ways.”

All of the past due accounts had long been written off by the hospital or original provider. These accounts were to be sold to an agency that would collect on them to profit from the debt. Many of the accounts came from patients who needed to seek multiple, expensive treatments from their provider.

“I have a job and medical insurance, but I have an annual \$5,000 out of pocket max,” said Debra Puchala, a Minnesota patient who owes more than \$5,000 to various medical providers. Puchala had a hip replacement in 2015 and a shoulder surgery in 2016. She said she has three medical bills that have been turned over to the Minnesota Department of Revenue to garnish her wages and another medical bill that has been sent to a collections agency.

“I still have \$5,500 remaining in balances but can only make payments on \$2,900,” Puchala said. “The frustrating thing is that by making the payments I can afford, my medical bills won’t be paid off until sometime in 2019.”

“This shows just how broken the healthcare system really is,” Turner said. “A patient has to come in repeatedly and racks up a co-pay each time. If they have insurance with a \$5,000 or \$10,000 out-of-pocket max, they’re racking up debt they can’t possibly get away from. Too many patients have to choose between the poor house and the funeral home.”

Medical debt is the number one cause for bankruptcy. Past due accounts to healthcare providers are cited in 62 percent of bankruptcy cases filed. Bad debt to medical providers is expected to top \$200 billion by the year 2019.

“Medical bills are now the number one reason people are contacted by debt collectors. Even people with health insurance face unpaid medical bills due to the very high deductibles in many insurance policies,” said Minnesota Attorney General Lori Swanson. She added, “The Minnesota Nurses Association is generous to have relieved people from the weight of this debt.”

MNA has been fighting for a universal, Single Payer, healthcare system in the state, and learned about RIP Medical Debt through a report on HBO’s “Last Week Tonight with John Oliver” show.

“We’d had many discussions about how to repay the community for what they gave nurses during the strike,” Turner said. “The John Oliver show inspired us, and we decided to see if we could do the same thing. MNA is grateful to RIP Medical Debt for helping us make this happen.”

The credit agencies are notified that this debt has been cleared for these 1,800 Minnesota families, which should immediately help their credit ratings.

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About MNA: With more than 20,000 members in Minnesota, Iowa, and Wisconsin, MNA is the leading organization for registered nurses in the Midwest and is among the oldest and largest representatives of RNs for collective bargaining in the nation. Established in 1905, MNA is a multi-purpose organization that fosters high standards for nursing education and practice, and works to advance the profession through legislative activity. MNA is an affiliate of National Nurses United. With close to 185,000 members in every state, NNU is the largest union and professional association of registered nurses in U.S. history.