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Study guide

A liberating hope

By Robert C. Blezard

Debt from unpaid or uninsured medical bills causes thousands of people to spend their life savings, jeopardize their retirement, go into poverty or declare bankruptcy. Sometimes all of the above! Some congregations are helping by buying uncollected medical debt for pennies on the dollar and wiping out the obligation. This is a wonderful ministry, but wouldn't it be great if the health care system didn't drive people into debt in the first place?

Exercise 1: The debt market

RIP Medical Debt is able to forgive so much debt with so little money because it works in an area of finance where loan obligations are bundled and sold for pennies on the dollar. Investors "buy" these obligations at a steep discount and then continue efforts to collect them. But instead of trying to collect the obligations, RIP Medical Debt simply forgives them.

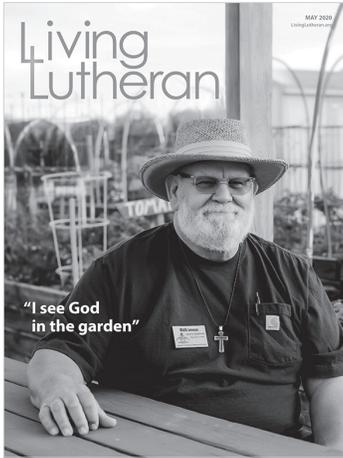
- What do you think of RIP Medical's model?
- Do you know someone who is hounded by medical debt collectors? How does it affect their lives?
- What would their lives be like if the debt could be forgiven?
- Is this kind of debt reduction a good way to help our neighbors in need? Why or why not?

Exercise 2: Your medical bills

With a seemingly hodgepodge medical delivery and insurance system that lacks transparency, doesn't cover everyone and varies widely in costs and reimbursement, medical expenses are a big problem for many Americans. Faced with care they desperately need but can't afford, families go into debt.

Over half of people without medical insurance reported difficulty paying medical debt in a Kaiser Family Foundation/*New York Times* survey (bit.ly/2VQve0T). But even among those with medical insurance, 20% had trouble. Overall, those with and those without medical insurance sacrificed to pay bills:

- 72% put off vacations or major household purchases.
- 70% spent less on food, clothes or basic household items.
- 59% used up all or most of their savings.
- 41% took an extra job or worked longer hours.
- 34% increased credit card debt.
- 26% took money out of retirement, college or other long-term savings.



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Study guide: **A liberating hope** *continued*

- 37% borrowed from family or friends.
- 17% changed their living situation.
- 12% sought the aid of charity.

Discuss:

- If you are comfortable sharing, what experiences have you had with medical bills?
- Without naming names, breaking confidence or shaming/embarrassing anyone, what have you observed or learned from news reports about people coping with medical bills?
- What issues of fairness and justice arise from America's health care system and the medical debt crisis?

Exercise 3: Medical bankruptcy

Medical debt is considered the No. 1 reason for bankruptcy filings. A 2019 study published in the *American Journal of Public Health* found that two-thirds of personal bankruptcy filers, about 530,000 per year, cited medical debt as a factor (bit.ly/3bTDt1B). The problem is health insurance that is too costly for some or that doesn't cover very well, said a study author, David U. Himmelstein, a professor at Hunter College and founder of the advocacy group Physicians for a National Health Program.

"Unless you're Jeff Bezos, people don't have very good alternatives, because the insurance that is available and affordable to people, or that most people's employers provide them, is not adequate protection if you're sick," Himmelstein said in a CBS news report. Discuss:

- If you or a family member were uninsured or underinsured but needed expensive medical care, what would you do?
- If it meant paying for necessary medical treatment for you or a family member to live or live well, which of these steps would you take, and why?
 - A. Deplete savings
 - B. Deplete retirement savings
 - C. Max out credit cards
 - D. Take another job
 - E. Mortgage or sell the house
 - F. All of the above
- Should people be able to write off medical debt with bankruptcy filings? Why or why not?
- Is it right that people should have to write off medical debt through bankruptcy?



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- Medical bankruptcy is virtually unheard of in Canada, Britain and other developed nations that have national health insurance. Why is that a problem in the United States?
- Do you think there is something wrong with the United States' medical care system? What is wrong? Why can't we change it?

Exercise 4: Health insurance

Some 11.1 percent of Americans under 65 were without health insurance in 2018, the most recent year for which data is available, according to the CDC's National Center for Health Statistics (cdc.gov/nchs/fastats/health-insurance.htm). This means that approximately 1 in 10 of our neighbors under 65 is not covered in case of illness or injury. (Of the 90% who do have insurance, some may have plans with high deductibles or that do not cover well.)

- If an uninsured person gets into an accident or has a serious illness, what options do they have?
- If charitable sources and government assistance do not cover the bills, what options do they have?
- What does it say about the United States that it is one of the richest nations in the world but 11% of our citizens do not have health insurance?

Exercise 5: Health spending in the U.S.

Our nation spent \$3.5 trillion on health care in 2017, the latest year for which data is available, according to the National Center for Health Statistics (bit.ly/3aVP2Ed). The figure amounts to \$10,739 for every man, woman and child.

The \$3.5 trillion spending amounts to 17.9% of our 2017 gross domestic product (GDP) going to health care, up from 1960's figure of 5%; 1970's figure of 8.9%; and 2000's figure of 13.4%.

As a percentage of GDP, the United States spends more *than every other nation* on the planet except one, the World Bank reports (<https://bit.ly/3f8HRMi>). (Only Tuvalu, a tiny Pacific Island nation, spent more as a percentage of GDP.) By comparison, here is a sampling of what other nations spent on health care as a percentage of GDP, according to the World Bank: Australia, 9.21%; Canada, 10.57%; Denmark, 10.11%; Germany, 11.25%; Israel, 7.41%; Italy, 8.84%; South Korea, 7.60%; and United Kingdom, 9.63%.

Discuss:

- What explains the United States' high spending on health care compared to the rest of the world?
- Do Americans get more value for the money we spend on health care?
- Are Americans sicker than the rest of the people on the planet? Is that why our health care costs more?



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- As a result of the health care spending in America, are we healthier than the rest of the world? Could that explain the high health care costs?
- What's wrong with this picture? The United States spends the most on health care, and yet more than 1 in 10 people is not insured. Canada and the United Kingdom (to name just two) have universal health care, which means everybody is covered, and yet their spending is more than a third lower.
- And again, what's wrong with this picture? Israel's health insurance system is universal and compulsory, which means everybody participates and everybody is covered. Bloomberg ranked its health system the seventh best in the world, and its spending as percentage of GDP is 7.41%. By comparison, the United States' system is not universal, not compulsory, and 11% are not covered. Bloomberg rated the United States as No. 44 in world ranking, and we spend 17.9% of GDP on health care.
- Is there a better way?

A liberating hope

Congregation relieves \$1.5 million in families' medical debt

By Steve Lundeberg



Lord of Life Lutheran Church, Maple Grove, Minn., partnered with the nonprofit RIP Medical Debt to forgive medical debts in excess of \$1.5 million.

A Twin Cities-area congregation has used a powerful financial lever to improve the lives of hundreds of families while drawing attention to a societal problem: the crushing weight of hospital and doctor bills.

A partnership between Lord of Life Lutheran Church and a New York-based nonprofit has already resulted in the forgiveness of medical debts in excess of \$1.5 million.

What made it happen was \$15,000 in donations from worshipers at the Maple Grove, Minn., congregation—which means that each dollar collected wiped out more than \$100 in debt.

“It’s a creative way to address an underserved need. The math is what drives this story, in a way,” said Joel Wight Hoogheem, a pastor of Lord of Life (lordoflife.org).

The prayers of member Skip Lieser served as the ignition switch. “I always pray, ‘Show me some things you want me to do,’” he said. “I was driving one day in Maple Grove, clicking through radio stations, and I heard a story about a Kansas church that had just forgiven \$3-4 million in medical debt for pennies on the dollar. I thought, ‘Is this for real, or just another scam?’”

Lieser, who had acquired considerable fiscal acumen during a 35-year career with General Mills, dove into that question. He extensively researched the nonprofit behind the debt forgiveness, RIP Medical Debt, even developing a relationship with co-founder Craig Antico, a former executive in the debt-collection sector.

Satisfied that RIP and its model—using donations such as

church offerings to buy medical debt for the sole purpose of giving relief to debtors—were rock solid, Lieser brought the idea of a partnership to Hoogheem.

“I had no idea how the secondary debt market worked, but I trust Skip, and he did an incredible job with the due diligence, so I knew this was legitimate,” Hoogheem said. “As ELCA Christians, we are committed to demonstrating compassionate mercy and liberating hope. ... This is charity work, of course, but it’s an effective way to raise up the bigger justice issue of why such debt exists in the first place.”

An act of faith

Antico and co-founder Jerry Ashton started RIP Medical Debt in 2014. Purchasing in bulk from medical debt buyers at less than

1% of face value, the organization has been able to retire more than \$1 billion in debt, affecting more than 500,000 families.

“Those expenses don’t result from things that people go out seeking,” Lieser said. “No one chooses to have cancer or a car accident. With our partnership with RIP Medical Debt, we’re able to address the situation where it is right now, helping those people, while also helping to raise the question ‘What can we do at the beginning so bills aren’t so high?’”

Hoogheem notes that the people most impacted by medical debt are vulnerable populations—those in poverty, older adults, veterans. “Those sorts of folks among us who we think Jesus calls us to serve,” he said.

In all, 472 families in Texas and Arkansas, where Lord of Life had recently sent mission teams, benefited from the congregation’s inaugural debt-relief effort.

“We have not been contacted by any recipients of the relief we provided—and I have absolutely no expectation for any of them to do so,” Hoogheem said. “The gift is truly without strings attached.”

RIP Medical Debt, Lieser added, rarely hears from any of the people it has helped, mostly because of the shame people feel over not having been able to square their accounts.

“All of us would love to hear from some of the families that had debt forgiven,” he said. “I would love to remind them that they are part of the family of God and [that] we help each other in times of need. But the important thing is that the debt is forgiven and these families can move on with their lives.”

Lord of Life will continue to emphasize the RIP partnership in 2020, including in its children, youth and family summer programming. The congregation will likely



Photos: Courtesy of Lord of Life Lutheran Church

Joel Wight Hoogheem, a pastor of Lord of Life, displays a copy of the letter recipients of relief get from RIP Medical Debt.

also advocate for legislation to facilitate the purchase of debt by nonprofits such as RIP.

“In some states, it’s tough to get access to medical debt, including Minnesota,” Lieser said, noting consumer protection laws that rightly seek to safeguard debtors’ personal information.

Hoogheem said the RIP partnership is a good reminder to “continue to be open to the new opportunities the Holy Spirit brings,” pointing out that roughly two-thirds of bankruptcies in the United States result from medical bills.

“I really think it is important to continually pray and ask God how we can be part of spreading his gospel,” Lieser said. “He will answer, maybe in subtle ways, but then comes our act of faith. Are we willing to listen, consider a plan and then act on his response?” †

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Steve Lundeberg is a writer for Oregon State University News and Research Communications in Corvallis.



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