

# EAST CENTRAL ILLINOIS MEDICAL DEBT RELIEF CAMPAIGN

*Sponsored by First Mennonite Church of Champaign Urbana*

## Additional Questions and Answers

### **Can people apply to this campaign to have their medical debt relieved?**

No, individuals cannot apply to have their medical debt relieved. Our partner, Undue Medical Debt (UMD), purchases large, bundled portfolios of debt that hospitals and physicians are willing to sell to them at a substantial discount. This allows UMD to erase the debt of thousands of people at once; this allows our \$20,000 campaign to erase about \$3.1 million in medical debt in 15 East Central Illinois counties. Their portfolios contain those in greatest need: people who **earn 4x or below the federal poverty level or those with medical debt that is 5% or more of their annual income**. Medical debt affects people who aren't included in these portfolios and UMD provides a list of resources that they may find helpful: <https://unduemedicaldebt.org/medical-debt-resources/>.

### **What is the history of UMD? Is it a trustworthy partner?**

UMD (formerly called RIP Medical Debt) was founded in 2014 by Jerry Ashton and Craig Antico, former debt collection executives with years of experience who were inspired by the Occupy Wall Street movement's advocacy for debt relief. Over the past 10 years, UMD has partnered with individuals, faith-based organizations, businesses, foundations and corporations. Recently, UMD has begun partnering with hospitals, local and state governments to relieve medical debt. To learn more, visit: <https://unduemedicaldebt.org/mission-and-history/>.

Undue Medical Debt has received a 4-star rating by Charity Navigator for exceptional accountability, culture, community, leadership and adaptability. View their financial statements: <https://unduemedicaldebt.org/financial-statements/>.

### **The State of Illinois included funds in the latest budget for medical debt relief. Is this campaign needed?**

The FMC plan for a medical campaign happened to coincide with the new medical debt relief initiative by the State of Illinois. We asked UMD how our campaign fits into the larger picture of debt relief need in Illinois. We learned that although the amount budgeted by the state government was very helpful, the need for medical debt relief in Illinois is unsurprisingly greater than what was budgeted. Unfortunately, there isn't a shortage or end to medical debt; new medical debt occurs on a regular basis. Our smaller campaign will enable more medical debt to be relieved in East Central Illinois.

### **How were the fundraising goal and counties included determined?**

Our partner, UMD, requires a minimum level of fundraising to meet a portfolio of debt available in a certain area at a given time. This led us to set a \$20,000 goal to relieve \$3.1 million in medical debt. The committee directed UMD to begin with Champaign County and extend to surrounding contiguous counties to reach the \$3.1 million level of medical debt in UMD's current East Central Illinois medical debt portfolio.

### **How was the timing of the medical debt relief campaign determined?**

The idea for a medical debt relief campaign began last spring and was approved by the Service and Outreach Committee in the summer. However, a plan to hold the Alice Di Micele concert and fundraiser was already in place for the Fall. And, in the fall of 2025, the Interfaith Alliance plans to do an Interfaith Habitat Build, and FMC expects to be involved. Therefore, the winter of 2025 was determined to be the best timing for the medical debt relief campaign.

### **Does UMD receive personal information about the people whose debts are relieved?**

As stated on UMD's website, they receive "demographic information about individuals who have had their debt relieved in order to confirm their identity and send letters explaining that their debt is no longer owed. This information is securely stored and only handled by those with HIPAA compliance training."

**Are there strings attached to UMD’s medical debt relief? How are recipients notified? What information will we get from UMD about the medical debt relief recipients?**

Medical debt relief is given as a gift with nothing expected in return. UMD will send letters notifying beneficiaries that their debt is relieved. FMC’s name and website will also be included in the letter, along with UMD, but the letter does not come from us. Once the debt relief campaign is over, we will receive a report from UMD giving us the total amount of medical debt abolished, the total number of recipients, and the average amount of debt relieved. A breakdown of this information by county will also be included. The identity of each recipient is private and will remain unknown to us unless a recipient chooses to contact FMC.

**What are some of the negative impacts of medical debt? Are there limits to how medical debt relief can affect these impacts?**

People who have medical debt may skip needed care to avoid accruing additional debt. They may also experience financial hardship because of an inability to work due to illness and/or to pay off medical debt, regardless of whether they are insured. Medical debt can also result in deteriorating credit scores, collection litigation and garnished wages, which increases the financial vulnerability of people with medical debt. The toll of medical debt can affect people’s mental health. Find out more about the burden of medical debt in the United States at: [https://files.consumerfinance.gov/f/documents/cfpb\\_medical-debt-burden-in-the-united-states\\_report\\_2022-03.pdf](https://files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf) and the toll it takes on people with medical debt at: <https://kffhealthnews.org/diagnosis-debt/>

Relieving medical debt can have a positive impact on the financial and mental health of recipients. Read the stories of how medical debt relief has impacted the lives of its recipients: <https://unduemedicaldebt.org/stories/>. It is also the case that some individuals, especially those whose medical debt is in collections, may not be experience as much of a benefit; their situation may be too complex for the relief to make a large impact. UMD has adapted its approach and is working with state and local governments on their debt relief plans to purchase debts before they reach collections so that the debt relief is likely to be more impactful. UMD has also broadened its approach to include initiatives and policy geared toward addressing root causes of medical debt, with the goal of helping to transform the medical system so that medical debt relief is no longer necessary.

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**Have additional questions?** Contact a member of our medical debt relief committee: Rhonda Gibson, Clark Breeze or Pastor Michael.

**Undue Medical Debt also has a wealth of information regarding medical debt and their work to eliminate it:** <https://unduemedicaldebt.org/>.

**We have also compiled a list of resources related to the issue of medical debt:** <https://fmc-cu.org/learn-about-medical-debt/>