



**TOWARDS JUSTICE**  
DEFENDING THE DIGNITY OF WORK

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## **UCHealth Patients Sue Debt Collector in Denver District Court**

### ***Towards Justice, the National Consumer Law Center, and Vedra Law LLC Claim Illegal a Large- Medical Debt Collection in Colorado***

DENVER, Colorado - Colorado residents Zachary Waite and Catherine Woods-Sullivan filed a [proposed class action lawsuit](#) against Credit Services Company, Inc. (CSC), a debt collector that collects medical debt from patients of healthcare providers like UCHealth. UCHealth is the largest healthcare system in Colorado, with revenues of approximately \$5 billion per year. UCHealth frequently uses debt collectors like Credit Services Company who sue former patients with outstanding medical debts.

Waite and Wood-Sullivan allege that CSC at times appears to operate as if it has bought up patients' medical debt from UCHealth and other providers. CSC sues patients in its own name, and it frequently communicates with former UCHealth patients about sensitive medical and financial information. But Plaintiffs allege that CSC is not permitted to buy medical debts, which arise from a relationship of trust and confidence between a patient and their doctor, and in any case, that CSC does not comply with rules that apply to Colorado debt buyers. Rather than dealing with the healthcare professionals who provided medical services, the arrangement between providers and CSC forces patients to deal with a collection agency whose only interest is in the repayment of a debt and not the health and well-being of the patient.

“At a moment when my family and I were in crisis, I sought out medical care from UCHealth,” said **Plaintiff Catherine Woods-Sullivan**. “When I got a bill for thousands of dollars, I knew I’d have problems paying. But when I tried to communicate with UCHealth about it, they told me there was nothing they could do. I had to talk to a private, for-profit debt collector called CSC. About a year after my medical trauma, CSC sued me.”

**Plaintiff Zachary Waite**, who was also sued by CSC said, “I wouldn’t wish this experience on anyone, and I’m fighting to make sure it doesn’t happen to anyone again.”

Medical debt is a devastating financial burden for millions of Americans and is the leading cause of personal bankruptcy in the United States. Medical debt is different from many other types of consumer debt -- people do not plan to get sick or get hurt, and health care services are not only necessary, but can be a matter of life or death. Meanwhile, the for-profit medical debt collection industry recoups billions of dollars every year aggressively collecting debts on behalf of hospitals, doctors, and other providers. Collection tactics frequently involve these collectors

suing former patients and ultimately garnishing their wages. Medical debt has a particularly harsh impact on people of color.

“At a time when Coloradans face a raging pandemic and devastating financial pressures, the extraordinarily profitable medical debt collection industry must stop preying on Colorado’s working families,” said **David Seligman, executive director of the Denver-based Towards Justice**.

**Charles Delbaum, a senior attorney at the National Consumer Law Center**, noted that “problems with unfair medical debt collection are nationwide in scope. Abusive and intrusive collection of medical bills is particularly pernicious because they often end up in collections when there are insurance or billing disputes.”

The National Consumer Law Center has developed materials to support states interested in protected consumers from medical debt collection abuses.

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**Towards Justice** is a Denver-based nonprofit law firm that supports workers in attacking systemic impediments to economic justice and worker power through impact litigation, public policy advocacy, and collaboration.

Since 1969, the nonprofit **National Consumer Law Center**<sup>®</sup> (NCLC<sup>®</sup>) has worked for consumer justice and economic security for low-income and other disadvantaged people in the U.S..

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