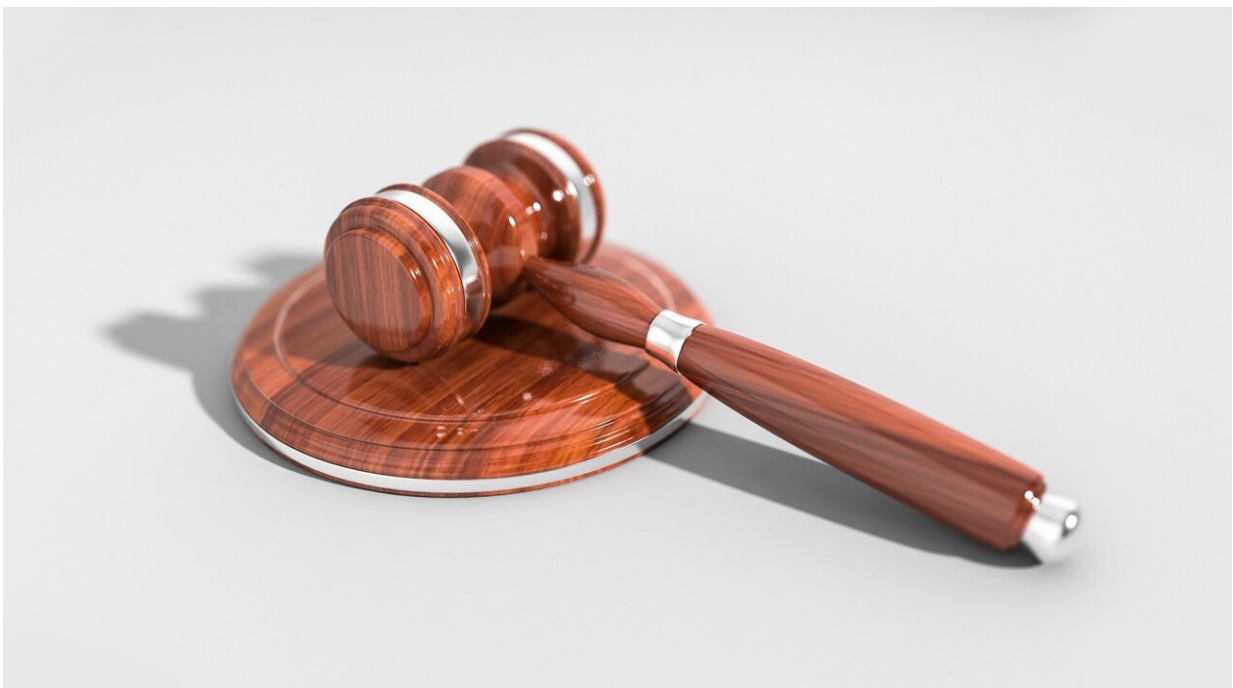


# In one Oklahoma town, most everyone knows someone who has been sued by the hospital

January 22 2024, by Mitchell Black and Noam N. Levey, KFF Health News

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Credit: Pixabay/CC0 Public Domain

It took little more than an hour for Deborah Hackler to dispense with the tall stack of debt collection lawsuits that McAlester Regional Medical Center recently brought to small-claims court in this Oklahoma farm community.

Hackler, a lawyer who sues patients on behalf of the [hospital](#), buzzed through 51 cases, all but a handful uncontested, as is often the case. She bantered with the judge as she secured nearly \$40,000 in judgments, plus 10% in fees for herself, according to [court records](#).

It's a payday the hospital and Hackler have shared frequently over the past three decades, records show. The records indicate McAlester Regional Medical Center and an affiliated clinic have filed close to 5,000 debt collection cases since the early 1990s, most often represented by the father-daughter law firm of Hackler & Hackler.

Some of McAlester's 18,000 residents have been taken to court multiple times. A deputy at the county jail and her adult son were each sued recently, court records show. New mothers said they compare stories of their legal run-ins with the medical center.

"There's a lot that's not right," Sherry McKee, a dorm monitor at a tribal boarding school outside McAlester, said on the courthouse steps after the hearing. The hospital has sued her three times, most recently over a \$3,375 bill for what she said turned out to be vertigo.

In recent years, major [health](#) systems in Virginia, North Carolina, and elsewhere have stopped suing patients following news reports about lawsuits. And several states, such as Maryland and New York, have restricted the legal actions hospitals can take against patients.

But with some 100 million people in the U.S. burdened by health care debt, medical collection cases still clog courtrooms across the country, researchers have found. In places like McAlester, a hospital's debt collection machine can hum away quietly for years, helped along by powerful people in town. An effort to limit hospital lawsuits failed in the Oklahoma Legislature in 2021.

In McAlester, the lawsuits have provided business for some, such as the Adjustment Bureau, a local collection agency run out of a squat concrete building down the street from the courthouse, and for Hackler, a former president of the McAlester Area Chamber of Commerce. But for many patients and their families, the lawsuits can take a devastating toll, sapping wages, emptying retirement accounts, and upending lives.

McKee said she wasn't sure how long it would take to pay off the recent judgment. Her \$3,375 debt exceeds her monthly salary, she said.

"This affects a large number of people in a small community," said Janet Roloff, an attorney who has spent years assisting low-income clients with [legal issues](#) such as evictions in and around McAlester. "The impact is great."

Settled more than a century ago by fortune seekers who secured land from the Choctaw Nation to mine coal in the nearby hills, McAlester was once a boom town. Vestiges of that era remain, including a mammoth, 140-foot-tall Masonic temple that looms over the city.

Recent times have been tougher for McAlester, now home by one count to 12 marijuana dispensaries and the state's death row. The downtown is pockmarked by empty storefronts, including the OKLA theater, which has been dark for decades. Nearly one in five residents in McAlester and the surrounding county live below the federal poverty line.

The hospital, operated by a [public trust](#) under the city's authority, faces its own struggles. Paint is peeling off the front portico, and weeds poke up through the parking lots. The hospital has operated in the red for years, according to independent audit reports available on the state auditor's website.

"I'm trying to find ways to get the entire community better care and

more care," said Shawn Howard, the hospital's chief executive. Howard grew up in McAlester and proudly noted he started his career as a receptionist in the hospital's physical therapy department. "This is my hometown," he said. "I am not trying to keep people out of getting care."

The hospital operates a clinic for low-income patients, whose webpage notes it has "limited appointments" at no cost for patients who are approved for aid. But data from the audits shows the hospital offers very little financial assistance, despite its purported mission to serve the community.

In the 2022 [fiscal year](#), it provided just \$114,000 in charity care, out of a total operating budget of more than \$100 million, hospital records show. Charity care totaling \$2 million or \$3 million out of a \$100 million budget would be more in line with other U.S. hospitals.

While audits show few McAlester patients get financial aid, many get taken to court.

Renee Montgomery, the city treasurer in an adjoining town and mother of a local police officer, said she dipped into savings she'd reserved for her children and grandchildren after the hospital sued her last year for more than \$5,500. She'd gone to the emergency room for chest pain.

Dusty Powell, a truck driver, said he lost his pickup and motorcycle when his wages were garnished after the hospital sued him for almost \$9,000. He'd gone to the emergency department for what turned out to be gastritis and didn't have insurance, he said.

"Everyone in this town probably has a story about McAlester Regional," said another former patient who spoke on the condition she not be named, fearful to publicly criticize the hospital in such a small city. "It's not even a secret."

The woman, who works at an Army munitions plant outside town, was sued twice over bills she incurred giving birth. Her sister-in-law has been sued as well.

"It's a good-old-boy system," said the woman, who lowered her voice when the mayor walked into the coffee shop where she was meeting with KFF Health News. Now, she said, she avoids the hospital if her children need care.

Nationwide, most people sued in debt collection cases never challenge them, a response experts say reflects widespread misunderstanding of the legal process and anxiety about coming to court.

At the center of the McAlester hospital's collection efforts for decades has been Hackler & Hackler.

Donald Hackler was city attorney in McAlester for 13 years in the '70s and '80s and a longtime member of the local Lions Club and the Scottish Rite Freemasons.

Daughter Deborah Hackler, who joined the family firm 30 years ago, has been a deacon at the First Presbyterian Church of McAlester and served on the board of the local Girl Scouts chapter, according to the McAlester News-Capital newspaper, which named her "Woman of the Year" in 2007. Since 2001, she also has been a municipal judge in McAlester, hearing traffic cases, including some involving people she has sued on behalf of the hospital, municipal and county court records show.

For years, the Hacklers' debt collection cases were often heard by Judge James Bland, who has retired from the bench and now sits on the hospital board. Bland didn't respond to an inquiry for interview.

Hackler declined to speak with KFF Health News after her recent court appearance. "I'm not going to visit with you about a current client," she said before leaving the courthouse.

Howard, the hospital CEO, said he couldn't discuss the lawsuits either. He said he didn't know the hospital took its patients to court. "I had to call and ask if we sue people," he said.

Howard also said he didn't know Deborah Hackler. "I never heard her name before," he said.

Despite repeated public records requests from KFF Health News since September, the hospital did not provide detailed information about its financial arrangement with Hackler.

McAlester Mayor John Browne, who appoints the hospital's board of trustees, said he, too, didn't know about the lawsuits. "I hadn't heard anything about them suing," he said.

At the century-old courthouse in downtown McAlester, it's not hard to find the lawsuits, though. Every month or two, another batch fills the docket in the small-claims court, now presided over by Judge Brian McLaughlin.

After court recently, McLaughlin, who is not from McAlester, shook his head at the stream of cases and patients who almost never show up to defend themselves, leaving him to issue judgment after judgment in the hospital's favor.

"All I can do is follow the law," said McLaughlin. "It doesn't mean I like it."

## **About this project**

"Diagnosis: Debt" is a reporting partnership between KFF Health News and NPR exploring the scale, impact, and causes of medical debt in America.

The series draws on original polling by KFF, court records, federal data on hospital finances, contracts obtained through public records requests, data on international health systems, and a yearlong investigation into the financial assistance and collection policies of more than 500 hospitals across the country.

Additional research was conducted by the Urban Institute, which analyzed credit bureau and other demographic data on poverty, race, and health status for KFF Health News to explore where medical debt is concentrated in the U.S. and what factors are associated with high debt levels.

The JPMorgan Chase Institute analyzed records from a sampling of Chase credit card holders to look at how customers' balances may be affected by major medical expenses. And the CED Project, a Denver nonprofit, worked with KFF Health News on a survey of its clients to explore links between medical debt and housing instability.

KFF Health News journalists worked with KFF public opinion researchers to design and analyze the "KFF Health Care Debt Survey." The survey was conducted Feb. 25 through March 20, 2022, online and via telephone, in English and Spanish, among a nationally representative sample of 2,375 U.S. adults, including 1,292 adults with current health care debt and 382 adults who had health care debt in the past five years.

The margin of sampling error is plus or minus 3 percentage points for the full sample and 3 percentage points for those with current debt. For results based on subgroups, the margin of sampling error may be higher.

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Citation: In one Oklahoma town, most everyone knows someone who has been sued by the hospital (2024, January 22) retrieved 28 April 2024 from

<https://medicalxpress.com/news/2024-01-oklahoma-town-sued-hospital.html>

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