

Medical Debt, Shame on Us



The health care cost debate has been silenced over the past few months as our focus has turned to the serious matters of terrorism, war, shootings and politics. However, those of us who are patient advocates cannot let the silence. In a recently published article in the **New England Medical Journal**, “*Alleviating Medical Debt in the United States*”, the authors state: “nearly 11% of U.S. adults (18% of households) have overdue medical debts approaching \$ 2,000 per person. More individuals are expected to fall into these categories as post pandemic-era Federal Funding for maintaining Medicaid coverage has lapsed.” (1)

“*Alleviating Medical Debt in the United States*” by Uppal Nishant, MD MBA, Woolhandler, Steffie, MD MPH, Himmelstein, David U. MD, New England Journal of Medicine, 389, 10 September 7, 2023

Confusion about choice of health plans, leads to gaps in health coverage, unexpected co-pays, deductibles and other uncovered services, which often come as a surprise to patients and contribute to the rising medical debt in the U.S. An individual goes to a hospital for emergency care, is caught unaware that their medical coverage, will not pay for the care that they need. They receive a whopping bill amounting to many thousands

of dollars and cannot pay it. Unfortunately navigating our dysfunctional healthcare system is a challenge that few individuals have the expertise to master to help them understand health insurance coverage with all of its co-pays and deductibles.

The Kaiser Family Foundation (KFF) did an analysis that found that charity care represented less than 1.4% of operating expenses of more than half of the hospitals in the United States. The KFF survey found that “more than 100 million people in America, including 41% of adults, are beset by a health care system that systematically pushes patients into debt on a massive scale, A quarter of adults with healthcare debt owe more than \$5,000, and about one in five adults have incurred debt they don’t even expect to be able to pay.” The KFF poll was designed to capture not just bills patients couldn’t afford, but other borrowing needed to pay for health care.

<https://www.kff.org/health-costs/report/kff-health-care-debt-survey/State>

An analyses of credit bureau, hospital billing, and credit card data by the Urban Institute that conducted hundreds of interviews with patients, physicians, health industry leaders, consumer advocates, and researchers, found: “In the past five years, more than half of U.S. adults report they’ve gone into debt because of medical or dental bills.”

<https://www.urban.org/research/publication/most-adults-past-due-medical-debt-owe-money-hospitals>

The consequences of this situation are grave for everyone, and it is deepening racial disparities, hurting those who have less, the most. Even for the average middle class American, who is working and trying to save for the future, medical debt is preventing many from putting money away for retirement, investing in their children’s education, or

laying the traditional building blocks for a secure future, such as building a college fund or buying a home.

Perhaps most perversely, medical debt is blocking patients from care. By refusing to admit those individuals who do not have the ability to pay, many people who need care are being turned away or do not seek the care to begin with. Nor are many hospitals deterred from sending out bill collectors to bring those individuals who have not paid their medical debt, taking them into court with subpoenas from judges and threats of jail time if they cannot pay their outstanding hospital bills. Some hospitals have financial assistance set aside for patients but it is not easy to identify or qualify for these subsidies. Additionally, the policy of charging uninsured patients more than 2.5 times for items needed during their care, for example a single Tylenol for \$10, or thousands of dollars for a standard procedure such as an x-ray, MRI or CAT Scan, continues to be the standard practice.

Thankfully, you cannot go to jail for unpaid medical bills however, in states like Kansas if an individual with an unpaid medical bill is very sick, and misses a court date, the judge can typically give that individual a citation of contempt of court and issue a jail sentence. Unfortunately, thousands of people are jailed each year for failing to appear in court for unpaid bills, as medical bill collectors, hired by hospital systems are able to find judges willing to use their broad powers of contempt to use the threat of arrest as a last resort to get money from people who simply do not have the money available.

This problem is a double whammy to our citizens and health care providers as well. A recent study conducted by the Federal Reserve Board “Economic Well-Being in

American Households 2022, found that over 40% of adults say they cannot come up with even \$400 in an emergency. Physicians and care providers are often left in a situation where they have to decide whether to turn a patient away, accept less for their services or come up with other ways to help patients get the care they need, while still ensuring the financial stability of their own practice.

<https://www.federalreserve.gov/publications/files/2022-report-economic-well-being-us-households-202305.pdf>

Let's face it, medical debt is not helping anyone to have better healthcare in the United States and we certainly do not need our jails filled with good people who just could not pay their medical debt and failed too to appear in court because they were sick. The best course of action, at this juncture, is to have a Non-Governmental Commission established by Congress that is charged with an extensive review of all healthcare costs from the pricing of in-hospital visits, to a review of all procedures and treatments, whether in-patient or out-patient. Additionally, we are overdue for an extensive overhaul of prescription medication costs and the charges assessed to a person in the hospital compared to the cost of that same medication prescribed to patients on an out-patient basis. Also, the charges for medication that U.S. citizens pay compared to what other patients throughout the developed world pay who have National Health Systems needs adjustment. We must take action so that all parties: hospitals, pharmaceutical companies, payers, pharmacy benefit managers, hospital labs, clinics and all the other stakeholders in medicine work together to greatly reduce the cost of care for everyone and get rid of this medical debt system once and for all.

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