

Module 6. Debt
Shamsher Samra, MD, MPhil and Todd Schneberk, MD

Objectives:

1. To understand the burden of medical expenses and debt in the US population.
2. To recognize the possibility of “first doing (financial) harm” via medical care.
3. To be able to offer guidance to patients burdened by medical debt.

Case:

A 63-year-old Spanish-speaking female presents to the emergency department with abdominal pain for 6 months. She reports nausea, but no emesis, and no fevers. The pain is epigastric. She has no cardiac history. She had an evaluation of the same pain 2 months ago with a negative CT scan and a normal EKG. Labs and urine today are normal. On further discussion, the patient states that she has been trying to obtain a primary care doctor to further investigate her pain, but even the low-cost clinics charge something and she has no money. Her husband had an accident at work and hurt his shoulder 1 year ago and since then they have had no income. She has lived in the U.S. for thirty years but is undocumented and does not qualify for health insurance. On her last visit to the emergency department she was enrolled in the county government’s “ability to pay” program. She receives monthly bills of \$75 to pay off her last two visits. She cannot afford the bills, so she rotates paying the “Ability to Pay” program bill on each of 5 different credit cards. Now she is in overwhelming credit card debt because of her illness. The credit card companies have sent her bills to collection and the collections agencies are calling frequently. Each time the phone rings, she has palpitations and her abdominal pain worsens.

Discussion Questions:

1. How is this patient's medical care contributing to her debt?
2. What are some options for addressing this patient's medical debt?
3. How is the patient's debt affecting her health?

Teaching Points:

1. Practitioners should be aware that provision of care within the confines of the US medical system may impose significant financial burden on their patients. These costs may weigh heavily into patient decisions to seek care, adhere to treatment plans, and potentially increase mortality. How the emergency department visit translated into a patient bill is complex and often not transparent. It can be difficult to advise patients or even to know whether there is the potential for financial harm. Becoming familiar with financial workers in the department and learning about financial programs offered by the institution can help providers to recognize patients who need this type of assistance.
2. Providers should encourage patients to seek itemized bills and inquire into subsidized, “inability to pay,” or charity care payment plans during that same visit. Plans may have time limits (for example “you must apply within 10 days of your visit to qualify”) so if the patient waits until he or she is feeling better to act, it may be too late.
3. In advising patients faced with significant medical debt, providers may warn against the use of credit cards to pay for medical debt. Although this may seem like a good option for a temporizing measure, patients may not understand interest and may not realize the full implications of unpaid credit card debt.

4. Identification and referral of patients to local legal service agencies may limit debt burden. Legal services may be particularly helpful at helping patients who are harassed by collections agencies.
5. Bill forgiveness programs and financial hardship provisions often exist within the hospital billing system. There is often a limited window of opportunity, so patients must understand that they should talk with registration workers on that same visit and be sure to understand the instructions for which forms to fill out or offices to visit. Any misstep by the patient during the process could render them ineligible. There is also significant ability to negotiate with insurance companies and even collections agencies.
6. Local legal service agencies may be able to deploy legal representation to protect patients from predatory practices.

Practical Questions:

1. Does your hospital offer subsidies or bill forgiveness to those unable to afford their medical debt? If so are patients made aware of these plans when they receive their medical bills?
2. What local legal agencies may be able to offer legal aid to patients facing dangerous levels of medical debt?

Recommended Screening Question(s):

1. Do you have the resources to pay for the very basics like food, housing, medical care, and heating? (Yes/No)
2. Do you have any significant outstanding bills or debts? (Yes/No)

Paired Reading:

Himmelstein, David U., et al. "Medical bankruptcy in the United States, 2007: results of a national study." *The American Journal of Medicine* 122.8 (2009): 741-746.

Discussion Points from the Reading

1. Bankruptcies attributed to a medical cause comprise the majority of bankruptcies in the United States. These bankruptcies happen to educated, middle class people with health insurance.
2. People who have their health insurance through their employer may lose coverage when diagnosed with a serious illness if they are too sick to work. Especially in cases where the breadwinner of the house becomes ill, the financial implications of the illness may become quickly catastrophic for the family.

Additional Readings:

1. Hamel, Liz, et al. "The Burden of Medical Debt: Results from the Kaiser Family Foundation/New York Times Medical Bills Survey." *Kaiser Family Foundation, January* 5 (2016).
2. Street, Occupy Wall. "The Debt Resisters' Operations Manual." *New York, Strike Debt/Occupy Wall Street* (2012). (Section on Medical Debt p. 23)
3. RIP Medical Debt <https://ripmedicaldebt.org/>