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**Rising Health Care Costs Forcing More Working Families
to Face Financial Crisis, New Report Finds**

Medical debt is a widespread problem in Missouri, researchers say

ST. LOUIS — A growing number of working families in St. Louis owe money to health care providers, leaving many of them with bad credit and struggling to find housing they can afford. Even those with health insurance face financial hardship because of higher co-pays, uncovered expenses and the inability to obtain affordable insurance.

These are just some of the findings being issued Wednesday in a new report: *Living in the Red: Medical Debt and Housing Security in Missouri*.

For the report, the Center for Health Law Studies at Saint Louis University, in partnership with the Missouri Citizen Education Fund, St. Louis Area Jobs with Justice and The Access Project, surveyed approximately 400 people in the St. Louis area about personal medical debt. According to the report:

- 53 percent of those surveyed said they had medical debt from unpaid medical bills.
- 52 percent of those who reported medical debt *had* health insurance at the time the medical debt was incurred.
- 31 percent of St. Louis residents surveyed with medical debt said the debt resulted in housing problems, including difficulty in making mortgage and rent payments as well as obtaining financing to buy a home.
- 72 percent of the survey respondents who had medical debt said they owed hospitals, but about the same percentage said they owed money to other medical providers as well, including doctors, clinics, labs, ambulances, dentists, and pharmacies.

The findings are based on a survey conducted in January and February 2005 at St. Louis Tax Assistance Program sites, which help working families.

The St. Louis findings were merged with surveys from seven other states for a national report released in November 2005. Since that time, researchers have analyzed the local data separately and found that, on average, St. Louisans owe more for medical bills and are more likely to have housing problems than those in other states. Surprisingly, more local respondents with debt from medical bills had health insurance.

Living in the Red reaches beyond statistics to provide an eye-opening look at individuals and families whose lives have been touched and devastated by illness, the cycle of debt and financial crisis and, in some cases, death. The report shares personal stories from several Missouri residents living with medical debt.

"This report puts a human face on what all of the studies are telling us: rising medical costs are hurting families," said Sidney Watson, J.D., a SLU law professor and lead author of the report. "Although the survey focused on families in St. Louis, we have no reason to believe that this is not a significant problem across the state."

Those profiled hail from all over the state, including a former taxi driver from Columbia, a retired couple from Wheaton and a union organizer from Bonne Terre.

Among those who shared their stories was Lynnette Swartz, a 48-year-old family farmer from Freeman, which is near Kansas City. Her husband, Rob, died in 2005 after a two-year battle with lung cancer. He left behind \$9,000 in medical debt. Swartz revealed that she kept the accumulating medical bills a secret from her sick husband, afraid that the additional stress would cause his health to worsen. At the time, the couple was buying their home from his parents, and missed every payment in 2004 because of the medical debt.

"If not for the patience of my in-laws we would have lost our home," Swartz said in the report. "[Rob] knew that he was dying, and it was important to him to know that we would have a home."

Living in the Red outlines a number of steps that should be taken to address the looming crisis. The report's authors recommend that Missouri policymakers:

- examine the problem of underinsurance as well as un-insurance
- reject proposals to shift more of the costs of care to consumers because this will worsen medical debt problems and hurt consumers and providers
- promote health insurance plans that protect families from financial disaster: out-of-pocket costs should be reasonable in relation to family income and assets
- assure that working families in Missouri have access to adequate public insurance when illness and injury cause job loss and loss of employer-sponsored health insurance.

The report's authors also recommend that employers design their health plans so that coverage is adequate and out-of-pocket costs are reasonable in relation to employee earnings, particularly for lower-wage workers. They also recommend that health care provider billing and collection policies protect consumers who are making a good-faith effort to pay their bills from being reported to credit bureaus and collection agencies.

The report's findings and personal stories will be unveiled during several news conferences around the state. The full report will be available online Wednesday, Feb. 7, at <http://www.accessproject.org>. If you would like obtain an embargoed report in PDF format before Wednesday, e-mail jgrider1@slu.edu or berrycl@slu.edu. To arrange an interview with Watson, the SLU law professor and lead author of the report, call Jeanette Grider at (314) 977-2538. To arrange an interview with other authors or one of those profiled in the report, call Margarida Jorge at (314) 531-2288.