

After job loss, medical bills deal family devastating blow

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Sharon Steinmann Chronicle

Rick and Carolyn Norton's home goes up for auction next month because of medical bills and unemployment.

Resources

WHAT YOU CAN DO TO REDUCE MEDICAL DEBT

- **Read your bills:** Sometimes, medical bills contain errors or duplicate charges.
- **Negotiate a payment plan:** Can't pay the bill in six months or a year? Ask about extending the payments to make them lower.
- **Ask for a discount:** Some hospitals, providers and clinics offer self-pay discounts.
- **Ask about free services and public assistance programs:** Some providers charge less for health services or receive grants to provide free or discounted treatment for certain conditions. Check to see if you qualify for a Gold Card, the passport to care in the public Harris County Hospital District, or try one of Houston's federally qualified health centers. Visit <http://findahealthcenter.hrsa.gov/> to find a health center.
- **Bankruptcy:** A last resort when bills have become catastrophic.

Rick Norton had his first seizure in August, four months after losing his job as a construction superintendent and on the same day his electricity went out because he hadn't paid the bill.

The former Kansas lawman was unresponsive when his wife found him dripping with sweat and hanging halfway off the bed.

With a split-second hesitancy, Carolyn Norton dialed 911. The paramedics who arrived at the couple's Houston home said they were taking her husband to the hospital. Concerned, she uttered, "We don't have insurance."

That ambulance ride began a financial nightmare that spiraled into repossessed cars and foreclosure on their home.

In their 50s and without health insurance, the Nortons have accumulated \$125,000 in medical debt since August for Rick's epilepsy-related health problems. In December, they filed for bankruptcy.

The Nortons are among an increasing number of Americans who are struggling to pay medical bills in the tanking economy.

And the worst may be yet to come. Unemployment hit a 16-year high in January. Experts predict deeper medical debt problems as more people lose jobs and benefits, then deplete their savings to pay for health care expenses.

Amy Beaven, a researcher with the University of Texas School of Public Health in Houston, said crushing medical debt also may leave people sicker.

"People delay care, report having unmet medical needs, and they forgo filling prescriptions," said

Beaven, co-author of a 2007 report on medical debt in Texas. “Medical debt impacts the whole system and kills opportunities for prevention and routine care.”

Unprepared, unaware

Patient advocate Mark Rukavina said his Boston-based nonprofit has recently seen a new crop of solidly middle-class clients who for the first time have no health insurance and know little about navigating public programs that offer free or discounted services.

“It’s the people who have had more resources. They always had employment-based insurance and jobs,” said Rukavina, who testified before Congress two years ago, warning that medical bills already had become a growing contributor to personal bankruptcy.

Rukavina is executive director of the Access Project, a research and advocacy organization that focuses on medical debt. The group helps Massachusetts residents negotiate affordable payments, submit bills to public programs and determine eligibility for free or discounted services.

Family Services of Greater Houston started a financial stability program last summer, in part, as a response to the growing number of people seeking counseling because of the stress of medical bills.

“What we see is that people don’t set aside enough for emergencies, and when emergencies come, it’s devastating,” said Arlene Fisher, the agency’s vice president of clinical services. “I expect it to be more and more as we’re hearing about more layoffs.”

Sarah Lane, 28, sought support from Family Services last year after a yearlong financial rough patch.

Her household was down to just one salary after she was forced to go on bed rest during a 2007 pregnancy and take a leave from her job. Her daughter’s birth last February triggered post-traumatic stress disorder in her husband, a former Marine, and a doctor ordered him to stop working. With no income, the family car was repossessed last summer.

The Pasadena mother returned to work at UPS in November, and the Lanes now have a vehicle, thanks to a Family Services program that helps parents regain credit-worthiness through small car loans. But even with her insurance through work, Lane said she owes about \$15,000 in medical bills for her recent pregnancy and still has debt in Tennessee, where her 2-year-old daughter was born.

“All I can do now is rent, food and transportation,” she said, adding that the medical bills will have to wait.

Studies conducted even before the current recession detailed a growing burden of medical debt among Americans. A survey published in August by the Commonwealth Fund, a New York-based health research nonprofit, found that 41 percent of the nation’s working-age adults had medical debt problems in 2007, up from 34 percent two years earlier.

“The consequences of medical bill problems are certainly real — not being able to pay for food, heat or rent, large numbers using up their savings or taking out a mortgage against a home,” said Michelle Doty, who co-authored the Commonwealth report.

Lawmaker steps in

Last month, state Rep. Dwayne Bohac, R-Houston, filed a bill in hopes of protecting Texans who incur debt for treatment of life-threatening conditions. The legislation would ban health care providers from reporting such debt to credit bureaus. A similar bill stalled in committee in 2005.

"We just don't believe that having a heart attack or a stroke is a choice," Bohac said. "Texans should no longer have to live a heartbeat away from bankruptcy."

The Nortons' money crunch is a far cry from the life they led in the early 1990s, when both Rick and Carolyn were entrepreneurs in Kansas. Rick drew from his law enforcement experience to open a private investigative firm, and Carolyn owned a salon that employed several stylists. They chose a new life as foster parents in 1996, moving to Nebraska to work at the Omaha Home for Boys.

"We wanted to teach children basic skills that they could use for the rest of their lives," Carolyn said.

The couple came to Houston in 2002 to care for Carolyn's aging parents. Rick found a job in construction, and Carolyn became an independent foster mom. The couple used their retirement nest egg to build a five-bedroom house in the Barker-Cypress area to continue their work with troubled boys.

Their lives unraveled when Rick, now 55, lost his job last April. "That was a hurting thing for us," he said. "I was making \$55,000 a year."

The couple began juggling finances to pay what was past due first. Ends didn't meet in time to avoid the temporary power shut off.

Then the medical bills started flooding in, Carolyn said.

The couple tried several strategies to avoid creating more debt.

Carolyn, 53, said she put off her own health care. During Rick's first trip to Memorial Hermann Hospital, she received an application for services in the public Harris County Hospital District.

Rick, who is Cherokee, sought treatment at a Native American hospital in Oklahoma, but it had no neurologist. They eventually found some help at the Epilepsy Foundation in Houston.

The Nortons' home is to go on auction next month.

"I just can't believe God has brought us here, this far, and now it's being taken all away," Carolyn said.

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