



Jose A. Garcia

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Medical Debt Is Deadly

Currently, we're in the throes of a hugely cynical election cycle--one where many candidates are exploiting economic anxiety while offering few specific solutions outside of "shrinking government." Well, here's something specific: medical costs will continue to rise and more people will find themselves in debt because of it. More reform, not less, is needed to protect the family economy.

A recently published report by Demos and the Access Project finds that more than half of low to middle income families in 2008 reported carrying medical debt on their credit cards. For many, charging on plastic merely delayed the pain, providing only short-term relief.

It is a sad state of affairs that in the midst of an economic downturn millions of families face economic ruin as a result of inadequate health coverage. For them, illness spells financial disaster.

The report, [*Sick and the in the Red*](#), finds that families with medical debt carried higher overall credit card balances. Not surprisingly, since many low and moderate income Americans have monthly expenses that exceed their income, families with medical debt were nearly twice as likely to use savings to reduce their credit card debt than those without medical bills.

Our research also found that families with medical debt carried an average of \$2,194 in medical debt on their cards. Co-payments for office visits and deductibles were commonly reported medical expenses contributing to credit card debt. We also found that more than half of families cited prescription drug costs (51%) and two in five (42%) cited dental expenses as the contributing factors for the medical debt on their credit cards. These families exchange health-related pain and discomfort for financial pain that results from late fees, penalties and escalating interest rates when bills are charged to credit cards.

The Patient Protection and Affordable Care Act signed into law by President Obama includes provisions that will address the affordability of health insurance and health care--of the most well-known: prohibiting the practice of denying coverage to those with pre-existing conditions, prohibiting annual benefits limits for essential services and extending dependent's coverage in all plans up to 26 years of age. For those who will benefit, the newly enacted law cannot be implemented quickly enough.

Election-year bickering will do nothing to provide relief to those now struggling to pay their medical bills. Only swift implementation of the health reform law will ensure that millions of Americans are not buried under medical debt.

This post was co-written by Mark Rukavina of [The Access Project](#)
