100 million in the US weighed down by medical debt

Fred Mazelis
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One hundred million people in the United States, including 41 percent of the adult population, are burdened by medical debt. These totals, in what remains the wealthiest capitalist nation, and one moreover which spends almost $1 trillion annually on its military machine, translate into severe sacrifice and suffering for families. They are forced to choose between food and paying medical and dental bills or driven into bankruptcy or out of their homes.

The figures come from a major investigative project that is being carried out by Kaiser Health News (KHN), affiliated with the Kaiser Family Foundation, in association with National Public Radio (NPR). A report was posted on the KHN website last month. The investigation utilized a poll that looked into various means by which patients scrambled to meet medical bills. It studied credit bureau reports, credit card data and hospital billing data to get a more accurate picture of the crisis. Although the serious student loan crisis has received more recent media attention, the medical debt crisis affects a greater percentage of the population.

Under conditions where, according to a recent figure, half of the population does not have $500 to cover a sudden medical bill, 50 million people are paying medical bills in installments, 10 percent of those who owe have taken loans from friends or family, and 15 percent have put bills, often totaling thousands or even tens of thousands of dollars, on credit cards. One-quarter of those in debt owe more than $5,000. Twenty percent of the total do not ever expect to pay off these debts.

The medical debt emergency affects almost every section of the working class, and sections of the middle class as well. The KHN study finds that while 68 percent of households with an annual income of less than $40,000 have medical debt, the comparable figure for those with annual incomes above $90,000 also remains high, at 45 percent.

Millions have already lost their homes or declared bankruptcy, or both. According to the survey, 63 percent have cut back on food, clothing and other basic expenses, 48 percent have used up all or most of their savings, and 40 percent of the total have taken on second or third jobs. Equally revealing, one in seven of those surveyed have been denied access to medical care because of unpaid bills, and two-thirds have put off medical care because they are already dealing with bills they cannot pay.

Thus, the consequences of this mountain of debt must be measured, not just in financial hardship and the growth of poverty, but also in increased illness and death stemming from the lack of timely treatment—a situation which has certainly contributed to the US having the highest COVID-19 death toll in the world, well over 1 million dead and rising.

The KHN study provides some vivid examples of how this crisis has affected the working class.

Sherrie and Michael Foy retired to southwestern Virginia after Michael retired from the Con Edison utility company in New York. When Sherrie had to undergo complex colon surgery followed by complications, they wound up owing $775,000, and were sued by the University of Virginia Health System. The Foys, who continued to be insured through Michael's employer, were forced to declare bankruptcy and lost everything, including savings accounts they had set up for their grandchildren.

Sam and Ariane Buck, from Arizona, were turned away from a doctor's office because they owed medical bills and were forced to go to a hospital emergency room. The couple owes about $50,000 in medical bills. Buck himself sells health care plans. That has given him additional insight, even if no protection from his own medical debt. "I've had old people crying on the phone with me," he told KHN. "It's horrifying."

Allyson Ward, a nurse practitioner, was forced to take on extra shifts, working nights as well as days, after the premature birth of her twins left her with unpaid medical bills of $80,000. And Elizabeth and Nick Woodruff, of Binghamton, New York, were sued for $10,000 after they were unable to pay large bills following the amputation of Nick's infected leg.

Those desperate patients, workers who already have serious health and family issues to contend with, have in many cases been forced to pay off medical bills totaling thousands or tens of thousands of dollars by using credit cards, with punishingly high interest rates. Those who have not paid have faced sometimes daily harassment from collection agencies who have bought the debt from the hospitals and turned the medical debt into a new source of profit.

The Affordable Care Act (ACA) enacted in 2010, also known as Obamacare, is often lauded as a great success for having reduced the number of uninsured in the backward American medical system by about 40 percent, from 48 million to 28 million adults, as of 2016. The KHN study reports that newly-formed insurers, as well as older, more established companies, enjoyed years of "robust profits" after Obamacare. This, however, was no surprise. A main aim of the legislation was to create a new revenue stream for the insurance companies and the entire health care industry. As far as Obamacare's supposed beneficiaries, most of them face huge deductibles, the amount that must be paid before coverage begins, and out-of-pocket maximums of up to $8,700 a year.

While 100 million face this mountain of health care debt, the nation's hospitals reported their most profitable year in 2019, just before the COVID-19 pandemic, with a margin of 7.6 percent, and these figures have continued in the last two years. Hospital CEOs are often paid millions of dollars in annual salaries. Some sample figures, from three or four years ago, are $2.77 million at the Mayo Clinic, $2.58 million at the Cleveland Clinic, and $2.4 million at Massachusetts General Hospital. In New York City, with its proximity to Wall Street, these CEOs command even more stratospheric compensation: $13 million for the head of Montefiore Medical Center in the Bronx, and $10.4 million for New York Presbyterian in Manhattan.

It must be stressed that most medical insurance, including Medicare, is no protection from massive bills. The crisis is one of "underinsurance." Deductibles have quadrupled for a single adult since 2006, to an average figure of $1,400 annually. For those on Medicare, only seniors who are prepared and able to spend several thousand dollars annually, and sometimes significantly more, to purchase supplemental insurance, are protected from huge bills if they become seriously ill. The monthly Medicare premiums, nearly $150 deducted from Social Security, do not provide comprehensive medical care and protection from these bills. Nor do the thousands of dollars that have been paid in Medicare taxes in the course of decades of work.

The US is virtually the only country whose population faces the issue of medical debt. In Britain, the National Health Service (NHS), underfunded as it is and facing enormous and growing crisis, still provides free medical care. In most of western Europe, universal health insurance of one kind or another, even where it imposes other costs, does not saddle its users with debt. In most of the rest of the world, especially in the poorer countries, medical care must be paid for in advance. This creates huge suffering of a different kind, resulting in untreated illness or dangerous medical care.

The medical debt crisis is bound up with the financialization of the US economy, and with the particularly savage anti-communism of the American ruling class, and the bipartisan onslaught on public services of all kinds in the past 40 years. As workers throughout the world can attest, these attacks are by no means unique to the US, but they take a particular form in the arena of US health care and public health.

Ruling class hysteria against any hint of "socialized medicine" continues today. No sooner was Medicare enacted in the 1960s than plotting began to undermine it from within, and privatization has accelerated in recent decades, in the form of the so-called Medicare Advantage plans. Virtually all public services, even those run as non-profits, have been transformed along for-profit lines.

The health care system has been organized to provide new profit centers, to enrich the wealthy stockholders of the pharmaceutical firms as well as the credit card companies, a key part of the financial system, for whom the mushrooming debt is a bonanza. The KHN report quotes one physician as stating that, "Debt is no longer just a bug in our system. It is one of the main products."

Medical debt is one of the countless ways in which the capitalist elite has engineered the gigantic transfer of wealth from the working class, which produces all profits, to the parasites who sit on top. This transfer of wealth, however, is now becoming a major ingredient in a revolutionary explosion, as millions of workers and their families become conscious of the fact that their lives are literally threatened by the continued existence of the profit system.