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Crushing Medical Debt, Collection Agencies Hound Baltimore's Poor, Homeless

Survey shows strained health care system puts city's most vulnerable at risk

PRESS CONFERENCE

Tuesday, July 30, 2002

11 a.m.

**Open Society Institute-Baltimore
201 N. Charles Street, Suite 1300**

BALTIMORE – Baltimore's poor and homeless, who must depend on the city's health care safety net, are burdened by crushing medical debt and hounded by collection agencies, according to a new survey sponsored by the Open Society Institute-Baltimore. Results of the survey will be released at a press conference, July 30, 11 a.m. at the OSI-Baltimore office at 201 N. Charles Street.

The Baltimore Safety Net Access to Care Survey, conducted by Dr. Thomas O'Toole, shows that nearly half the poor people interviewed are saddled with almost \$4,000 in medical debt, and one third of all respondents are being chased by collection agencies.

"The most surprising result of this survey is that almost half of this poor population owes almost half of their annual income for medical bills," says O'Toole, program officer of OSI-Baltimore's Medicine as a Profession Initiative, which seeks to advance trust, quality and integrity in American health care. "What are the consequences of sticking collection agencies on people who earn less than \$10,000 and have no capacity to pay? At least half are not going to seek care when they need it."

The survey, conducted during June and July of nearly 300 Baltimore City residents attending 10 community clinics and resource centers, also showed:

- Almost half (47.4 percent) of all respondents did not have health insurance, although 78.8 percent had at least one chronic medical problem, and 28.3 percent had three or more medical conditions including hypertension, hepatitis B or C, and HIV/AIDS;
- More than half of all respondents reported past difficulty obtaining health care because they did not have insurance and could not afford treatment;

- Almost half (45.9 percent) of all respondents currently owe on average \$3,409 in medical debt;
- One third of respondents have been referred to a collection agency for their medical bills, and almost half of them say this has kept them from seeking subsequent care;
- If their safety net site were not available, 68.3 percent of respondents said they do not know of any health care alternatives, would go to an emergency department, relapse into addiction, become homeless or die.

“The survey shows that Baltimore’s most vulnerable citizens are shouldering the financial responsibility for their medical care alone,” says Diana Morris, OSI-Baltimore director. “As a city and state, we must help them obtain high quality health care and provide a safety net that protects them from debt so they are not frightened to return for follow-up care.”

O’Toole says the study begs as many questions as it answers.

“Why do we have such a high level of medical debt and referrals to collection agencies for a population that is poverty stricken and predominantly homeless?” he says. “Should this many poor people with this many needs still be uninsured? Is the current system insensitive to the plight of our most poor and destitute, or is this predatory billing?”

“The biggest issue is that these very poor people have a lot of medical and mental health care needs,” O’Toole says. “The ability of our system to care for them is clearly strained and stressed. But we also are sometimes insensitive to just how precarious and tenuous that safety net is, particularly during bad economic times when the demand is going to become greater. When our economy catches a cold, the poor get pneumonia.”

The Open Society Institute is a private operating and grantmaking foundation that promotes the development of open society around the world. OSI's U.S. Programs seek to strengthen democracy in the United States by addressing barriers to opportunity and justice, broadening public discussion about such barriers, and assisting marginalized groups to participate equally in civil society and to make their voices heard. U.S. Programs challenge over-reliance on the market by advocating appropriate government responsibility for human needs and promoting public interest and service values in law, medicine, and the media. OSI's U.S. Programs support initiatives in a range of areas, including access to justice for low and moderate income people; independence of the judiciary; ending the death penalty; reducing gun violence and over-reliance on incarceration; drug policy reform; inner-city education and youth programs; fair treatment of immigrants; reproductive health and choice; campaign finance reform; and

improved care of the dying. OSI is part of the network of foundations, created and funded by George Soros, active in more than 50 countries around the world.

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