



A perfect storm: racism, chronic illness & medical debt

Dispatcher: 911, what's your emergency?

Caller: America's healthcare system is broken and people are dying! (ambulance siren)

Welcome to **Code WACK!**, where we shine a light on America's callous healthcare system, how it hurts us and what we can do about it. I'm your host, **Brenda Gazzar**. This time on **Code WACK!** Why are Black families disproportionately affected by medical debt in America? Why have Black families in Southern states been particularly hard hit? To find out, we spoke to [Berneta Haynes](#), a staff attorney for the [National Consumer Law Center](#), who focuses on medical debt and consumer energy policy. She previously served as a director at Georgia Watch, a state-based consumer advocacy organization, where she worked to make energy programs and quality health care more equitable and accessible for all.

Welcome to Code WACK! Berneta. It's so nice to meet you!

[\(00:55\)](#):

Haynes: Same. Nice to meet you as well.

[\(00:57\)](#):

Q: Yeah. Thank you so much for being here today. Tell us a little bit about yourself and how you became interested in the fight for health and economic justice.

[\(01:04\)](#):

Haynes: Yes. So my name is Berneta Haynes and I'm a staff attorney at National Consumer Law Center, where we work on an array of issues that affect the most vulnerable consumers in our country, particularly consumers of color and low income consumers. My background is a strange one, because I started out in environmental law and essentially I have figured out a way to maneuver myself into all of these complex consumer protection issues that are connected to the things I was doing in environmental law around housing, affordability and healthcare issues related to quality of housing. And so that's what's really led me to this work in consumer protection, and particularly to medical debt issues, and how that really affects healthcare access and quality.

[\(01:48\)](#):

Q: *Wow. So interesting. Tell us about the longstanding racial inequalities in health and wealth among Black families.*

[\(01:55\)](#):

Haynes: Absolutely. So systemic racism in this country determines so much about Black quality of life and health and wellbeing. So I'm sure that's not a surprise to anyone who's listening. Gaps in wealth and health intersect to actually worsen that crisis for Black families so lack of wealth means medical bills are more likely to present a financial hardship for Black families than for white families, chronic conditions that are related to the effects of systemic racism lead to increased health risks like cancer, infant and maternal mortality, heart disease, all of that disparately impacting Black families and leading to more medical bills. Being locked out of wealth-building vehicles like housing, like mortgages and home ownership have a lot to do with that lack of wealth that Black families have. Employment discrimination and things like that have a lot to do with that wealth disparity that we see that worsens this crisis and medical debt for Black families.

[\(02:51\)](#):

Q: *Right. Here we are in 2022, some people might say, why are we still in this situation in 2022? And what would you say to that?*

[\(02:59\)](#):

Haynes: I would say it's because the United States has never really reckoned with its past and its present. We can't root out systemic racism without really getting to the clear causes of systemic racism and the history. Without any sort of reckoning we're going to be in this situation. We're gonna still have families that are desperately impacted by lack of employment opportunities due to discrimination. We're going to still have folks living in substandard housing because segregation is still very much alive and well in housing and so forth. So in 2022, it feels like we should be a long way away from say 1922, but here we are <laugh>.

[\(03:38\)](#):

Q: *Wow. Thank you for that. You recently wrote a report for the National Consumer Law Center on medical debt on black families. What was the impetus for writing about this issue and why now?*

[\(03:48\)](#):

Haynes: So I've done a lot of work on medical debt, particularly here in Georgia, where I'm located, helping pass Georgia's Surprise Billing Consumer Protection Law that went into effect in 2021, actually. So I've done a lot of work in this space and I really wanted to get the chance to speak very specifically to how medical debt, which affects all Americans really, really harms Black families and families of color in particular. Once I started speaking with some of my colleagues at National Consumer Law Center and they emphasized that they wanted to do a racially focused report on medical debt, I jumped at the opportunity. I think it's extremely important for us to examine the ways that medical debt impacts Black families if we want to actually understand how to resolve the medical debt crisis generally for Americans.

[\(04:34\)](#):

Q: *Right. The report notes that race contributes to whether households have medical debt with about 28% of Black households carrying medical debt compared to 17% of White, non-Hispanic households. What are the main reasons for this and what makes Black individuals more vulnerable?*

[\(04:51\)](#):

Haynes: Yeah, again, that racial wealth gap has everything to do with it, right? And I want to be clear about what I mean by the racial wealth gap. The racial wealth gap refers to these differences or disparities you could say in income, assets, including homes, savings investments, and debt across households, across race. That racial health gap similarly refers to these differences in healthcare access, whether you live close enough to a hospital, healthcare quality, how you're actually treated and the health outcomes of these households across race. Those two things intersect to leave a lot of Black families right there in that gap where they're not able to access the appropriate kind of health care and quality. They are spending more money on health care because maybe the hospitals that they are attending or that they're going to don't actually have financial assistance programs that are open to them – that have eligibility requirements open to them. They're more narrow and so what we're looking at is a group of folks who are locked out of access to certain kinds of wealth that would allow them to weather the storms of medical bills when they arrive. That \$600, \$800 bill, you'd have the savings or whatnot to actually pull from it and pay it. But if you are a struggling family and a struggling Black family, you may not have money set aside or a family member you could talk to that can give you that \$1,000 or \$2,000 to pay that medical bill.

[\(06:13\)](#):

Q: You kind of mentioned how medical debt has impacted the lives of Black individuals and their families. Do you have a story or two that you can share that really drives this home?

[\(06:21\)](#):

Haynes: Yeah and actually in the report, I made a point to lay out a few very specific stories, just so that there's always a face with this crisis so that it feels tangible. One story that I would love to share is of an Atlanta woman that I actually interfaced with when I was in my previous organization and she reached out to us, well actually she got a hold of a guide that I had created called the Georgia Consumer Guide for Medical Bills and Debt. It's literally to help consumers figure out how to manage and minimize their medical bills. It's targeted particularly for consumers. She got a hold of that guide about a year or so after she'd suffered what is essentially a mini stroke during a presentation and about a month or two later, she reached out to us and said, 'oh, you know that \$30,000 or so that I owed still, I'd only paid \$1,000 of it off, in the year after that stroke, it's been canceled.

[\(07:13\)](#):

I used your guide to get that \$30,000 canceled, but suffice to say she had a mini stroke, something you just have no control over. And she was uninsured at the time and she was deeply, deeply worried about a medical bill. She even wondered if she should refuse the ambulance ride to the hospital. But nonetheless, the paramedics took her to the closest hospital around. They did tests. She was sent home and then a month later she got a \$26,000 medical bill with a request to pay in 20 days. Can you imagine? And it was the first bill of several that ended up piling up to around \$30,000, \$31,000. So I like to tell the story of Venus Lockett because she could be any of us really. She's not low income, for instance. She is sort of a moderate income individual, as I said, she was giving a presentation and yet still everyone can have a moment where they're uninsured or underinsured and a medical emergency occurs and they're stuck with \$30,000 or more dollars in medical bills.

[\(08:17\)](#):

Q: Wow. That's insane. Did she stay overnight at the hospital? Do you know how long she was there?

[\(08:22\)](#):

Haynes: Yeah, I'm not sure if she actually stayed overnight, but she did say that they ran tests and they sent her home pretty quickly.

[\(08:29\)](#):

Q: Wow. That is incredible. If it was just a one day thing, especially to pay that much money.

[\(08:35\)](#):

Haynes: I mean, that's exactly it. Sometimes if you look at your standard medical bill, if you are insured and you look at your bill and you see what the providers have billed and what the insurance is paid, it can be pretty mind blowing even for minor things. I've definitely looked at bills and thought to myself, 'okay, if I didn't have insurance, I'd be paying \$4,000 or something out of pocket right now,' which is just intense, especially when a lot of people don't have \$500 for an average emergency.

[\(09:03\)](#):

Q: Right. Exactly. For her, I'm sure she weighed that, you know, like, 'do I have enough money for insurance at this time?' Like who knows what was going on? That she didn't have insurance, but I know a lot of Americans really have to think seriously, 'do I have enough money for health insurance right now?'

[\(09:18\)](#):

Haynes: Absolutely and that's when people start making those unfortunate decisions about, 'well, if I cut back on groceries this month, maybe I can afford it.' 'Well, if I keep the thermostat down low enough, which may damage my health, I can afford this. I can afford my prescriptions or my insurance, or to pay this medical bill' and no one should ever have to make those kinds of life-or-death decisions.

[\(09:41\)](#):

Q: Right and how fortunate she was that she was able to use your guide that you created to cancel her debt. How many can find a resource like that, have a resource like that and are able to use it?

[\(09:50\)](#):

Haynes: Exactly and I will say the thing that she used in that guide is something that I talk about a lot in the report. She used the information about how to get financial assistance at the hospital. These financial assistance policies are required at nonprofit hospitals under the Affordable Care Act. The problem, however, is that many of these policies are not well laid out for patients. Hospitals are not required to screen patients necessarily for financial assistance before they bill them. Some states have put those requirements in place, but that's not a requirement under the Affordable Care Act and so what you have are these options that are there for patients that they don't even know about half the time. She didn't know about that. She only understood that once she got a hold of our guide, and then she realized how to apply for it. So there's so many ways to fix this problem and it really just is a matter of the will to do it on the part of our legislators.

[\(10:46\)](#):

Q: *Hmm. Wow. Great point. How did the COVID pandemic affect this issue of medical debt in Black communities?*

[\(10:51\)](#):

Haynes: Well, as you know, the COVID pandemic has greatly impacted Black families disparately compared to other racial groups in the country. Time will tell in terms of whether COVID and Long COVID lead to increased chronic problems and therefore increased medical bills but as we know, chronic conditions are a contributing factor in folks who have significant medical debt and since we do know that COVID has greatly impacted Black families, there is a chance that it could lead to ballooning medical bills down the line. But time will tell.

One thing that is important to note is that some of the benefits that folks received during COVID were very helpful in terms of helping people pay down existing medical debts that they had and so forth. A lot of those things are gone or being phased out now – the extra unemployment insurance, things like that, the stimulus. A lot of those things are gone now or being phased out so that too may end up having an impact on how medical debt looks in the next couple of years and in Black families and Black communities.

[\(11:52\)](#):

Q: *Wow. That will be interesting to follow. You mentioned in the report that the Affordable Care Act has gone a long way to tackle the problem of medical debt, including reducing the probability of bankruptcy. So why is medical debt still a serious issue?*

[\(12:06\)](#):

Haynes: Yes. Very good question. And I do want to emphasize that over 60% of bankruptcies are related to medical debt. Folks directly cite medical debt as a cause of their bankruptcy. The Affordable Care Act has gone a long way to reduce some of that. The Affordable Care Act, as I mentioned, requires all public and privately owned nonprofit hospitals that have 501C3 status to have a community benefits package that includes financial assistance or charity care for low-income patients. That alone is an extremely invaluable resource for folks who just simply cannot afford a couple hundred dollars medical bill.

The unfortunate part is that the requirements there around charity care are very broad in the Affordable Care Act. There's no requirement that hospitals have a certain eligibility framing. So the eligibility can vary from hospital to hospital, state, to state. There's no requirement that they screen folks for financial assistance before billing them. The implementation, the enforcement, all of that is really lacking and a last point I'll make is folks have no individual right to sue if they believe a hospital is failing to meet the financial care requirements. It's on the IRS to hold those hospitals accountable, which as we know,

the IRS is underfunded so that leaves a huge gap. So really your ability to obtain charity care can depend on just where you live and that should never be the case.

[\(13:35\)](#):

Q: In the Southern states or in certain parts of the South, is it more...Like, is there any rhyme or reason to this?

[\(13:41\)](#):

Haynes: I am so glad you asked that question because hospitals and states that expanded Medicaid actually spend less on charity care. Why is that? Because more folks are covered through Medicaid. The majority of the states that did not expand Medicaid are in the South. That is also where a majority of the African American population resides. We have seen that in those states that did not expand Medicaid in the South, hospitals often have extremely stringent and very narrow eligibility requirements for charity care, leaving a lot of people completely on their own.

[\(14:15\)](#):

Q: What's an example of like a stringent requirement?

[\(14:18\)](#):

Haynes: So for instance, income eligibility requirements that require an individual to have such an extremely low income to even qualify for charity care. Meanwhile, let's say an individual, it's a family of two, a mom and their child, and she has an income of \$23,000, \$24,000. In some hospitals and in some states, that may be too much to qualify for charity care, but we know an income like that still makes you very vulnerable to these kinds of financial emergencies, right? That doesn't make a person well off.

[\(14:52\)](#):

Q: Where's that money coming from? Is it the hospital that has to pay that? Or do they get funding from like the state or the federal government?

[\(14:58\)](#):

Haynes: So hospitals have to do a certain amount of financial assistance and charity care to keep their 501C3 nonprofit status. So whatever money they're bringing in, they have to use some portion of that to cover charity care, which means that that charity care expenditures can come from a variety of sources that the hospital uses to maintain its facilities.

(5-second music stinger)

[\(15:24\)](#):

Thank you Berneta Haynes of the National Consumer Law Center. Stay tuned for next time when we continue our discussion with Berneta about medical debt and legislation.

Do you have a personal story you'd like to share about our 'wack' healthcare system? Contact us through our website at heal-ca.org.

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