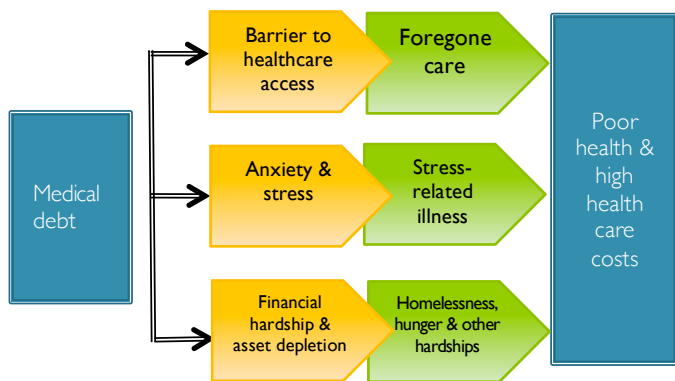


# Pathways to a Healthy Bernalillo County

## Medical Debt Pathway Return on Investment Analysis

Many Pathways participants are burdened by medical debt that prevents them from accessing the care they need. Community Health Navigators (CHNs) help clients who choose the Medical Debt pathway reduce the amount they owe by negotiating with creditors and applying for financial assistance programs. To complete the Medical Debt pathway, clients must have obtained financial assistance or set up affordable payment plans and they must understand and be able to document the terms of their remaining debt.

### How Medical Debt Impacts Health and Health Care Costs



Since 2009, completion of the Medical Debt pathway has reduced participants' medical bills by roughly \$3.7 million. Clients who completed the Medical Debt pathway not only eliminated almost two-thirds of their outstanding medical debt, they reduced their (self-reported) hospitalizations and emergency department (ED) use by over 50 percent. The savings from more efficient utilization of the health care system were likely enough to fully offset the cost of administering the Medical Debt pathway.

Medical Debt is one of the most cost-effective pathways because it removes, with relative speed, one of the most significant barriers to health care access for Pathways participants. People with outstanding medical debt, regardless of insurance status, are far more likely than those without debt to forego needed medical care. Failure to address health problems in their early stages increases the likelihood of poor outcomes and costly interventions later on. Unmanageable medical debt also undermines good health by contributing to anxiety, stress, and depression. These problems can be greatly exacerbated by the aggressive tactics of some debt collectors. In 15 percent of Medical Debt cases, CHNs noted that clients experienced acute stress and anxiety as a result of debt collection efforts.

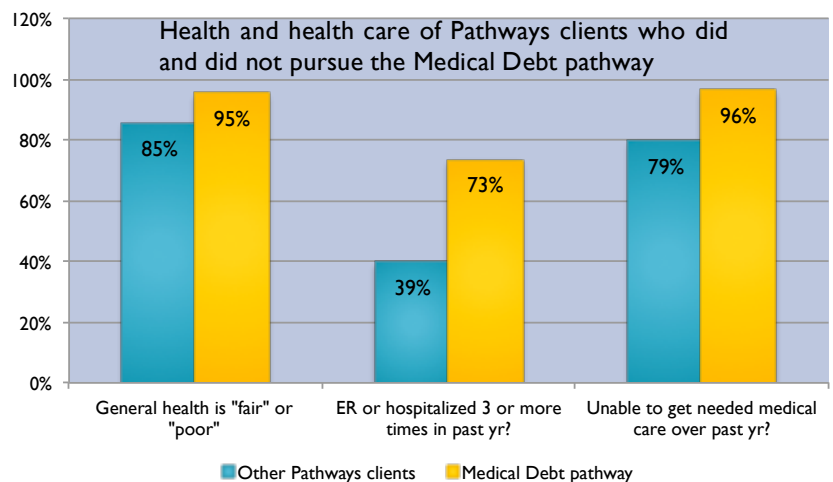
Burdensome debt has been linked to poorer subjective health and health-related behavior. Ninety-five percent of Medical Debt pathway clients characterized their general health as "fair" or "poor" upon entry to the Pathways program.

Ninety-six percent of Medical Debt clients said they had been unable to obtain needed medical care in the past year. They were also more likely than other Pathways clients to report having used the ED or having been hospitalized three or more times in the past year.

Medical debt is a leading cause of personal bankruptcy and is associated with major health risk factors including housing instability, food insecurity, and unemployment. Ninety percent of clients who completed the Medical Debt pathway say they had difficulty providing clothing for their families and 93 percent had difficulty providing adequate food.

Over half of Americans with significant outstanding medical bills have experienced at least one housing-related problem including inability to obtain housing, being forced to move, or being evicted. Thirty-nine percent of Medical Debt clients had moved three or more times in the past year and 16 percent were homeless or a risk of losing their housing upon entry to the Pathways program.

A recent national survey found that roughly half of people with problems paying hospital bills did not know if the hospital at which they received care had a financial assistance program. Language barriers likely contribute to this lack of awareness. Ninety-four percent of clients who complete the Medical Debt pathway speak a language other than English and 91 percent have difficulty speaking and reading basic English.



The full report with citations is available at <http://hsc.unm.edu/community/chwil/pathways/index.html>

