ABA Health Law Section

Medical Debt- Another Side Effect of Cancer Treatment

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First Line of Defense—Insurance Coverage

- Any treatment or medication should be checked by the doctor’s office or hospital to be sure it is covered
- And, even if the drugs and treatments are covered, there are co-pays, deductibles, etc.
- Put the doctor’s staff to work for you.
Stress

Cancer patients are under lots of stress
Physical
Emotional
Family

Financial Stress can add to all of this
The Bills Can Pile Up!
Medical Bill Confusion!
Decyphering Medical Bills

Each Provider sends a bill
– For each visit
– Each month
– Different numbers each time-before insurance, after insurance

Hard to figure out how much the patient owes and to whom!
What resources are available to patients?

- Medicare if patient qualifies
- Social service agencies if low income
- County hospital?
- Negotiate payment plan with hospital
  - For cancer drugs—astronomical costs!
  - Insurance company negotiates rates, but after that, hospitals don’t usually lower any rates
  - Sometimes- lump sum payment offers for discounts
What to do if those things fail?

If patients don’t pay, the medical creditors are slow to report to credit bureaus

BUT

There are consequences
Medical Collections

• The individual creditors will sue in court to get judgment, wage garnishments (more stress, if the patient is able to work!)
When to consider Bankruptcy Protection?

– Payments too high on debts and can’t afford them
– Lawsuits—what happens—wage garnishment
– Major life event- Things change in their life such that cannot afford to keep up on bills
  • Auto accident
  • Illness-medical bills
  • Uninsured accident
  • Divorce
Medical Bankruptcy?

- Is there such a thing?
- Is this a good reason to file bankruptcy?
- Medical debt is a leading cause of bankruptcy, sometimes the sole factor, sometimes part of bigger financial problems.
- Studies- 18-26% of Bankruptcies predominantly caused by medical bills.
What is Bankruptcy?

• Legal Federal Proceeding to relieve a person from debt, and stop collection activities

• Can protect certain things.
  
  House
  Car
  Retirement
  Other things
Chapter 7 Bankruptcy

• MYTH: You lose everything you own in bankruptcy.
• REALITY: 99% of all cases don’t involve liquidation of anything and are no-asset cases.
• What is protected? Exemptions in Illinois- per person. Each state has different exemptions.
  a. Homestead: $15,000.00
  b. Automobile: $2,400.00
  c. Personal Property $4,000.00 “Wildcard”
  d. Retirement Funds 100%
  e. Workers’ Compensation- 100%
  f. Injury claims $15,000.00
Chapter 13 Bankruptcy

• What is it?
• It is a 3-5 year payment plan, where the Debtor pays the trustee each month. The trustee distributes payments out to creditors according to the Chapter 13 Plan.
• Sometimes called a “wage-earner” plan.
Timing is the Key!
When to file Bankruptcy

• If the patient is thinking of filing for bankruptcy protection, timing is critical.

• Be sure all major procedures, especially those which require a large co-payment or deductible payment, are completed.

• Services from before the filing ONLY are eliminated.
Who qualifies for Bankruptcy?

• Means test- below the state median for the family size in your state.
• Even if over the median, can qualify- after complicated test.
Debtor Has to Prove He or She is broke
Documentation Needed

- Last 4 years’ Federal and State Income Tax Returns
- Pay stubs from last 6 months
- Car and home titles
- All bills - medical, and others
- Court documents
- Insurance coverage information
- Treatment needed for future?
Important to consider all options

• Patient can get a fresh financial start after being healed
Side-Effects of Bankruptcy

- On credit report for up to 10 years.
- Credit rebounds after about a year-and increases
- Can get loans/credit offers right after filing Chapter 7.
- Chapter 13-need court permission to get credit.
- FHA – 2 years after Chapter 7.
- Foreclosure- longer wait- 3-7 years approximately.
- Ways to build credit- secured credit cards, current home and car payments
Consider Bankruptcy Carefully

• Important decision- Consult with an experienced Bankruptcy Attorney.
• A good Resource- NACBA.ORG
• Weigh all options
• What will the patient’s financial condition be after bankruptcy vs. before?
“While fighting for their lives, many breast cancer patients in active treatment lose their livelihoods.”

~ Molly MacDonald, Founder & CEO
OUR STORY

The Pink Fund was founded in 2006 by Molly MacDonald, who was diagnosed with breast cancer at a time of job transition. Unable to work during treatment, her career was detoured to the off ramp. Her home went into foreclosure and within five months, she was standing in line at the food bank. Nowhere to turn for help, the ruins of her personal tragedy and her determination gave life to an organization that would not allow others to encounter the same fate.

The Pink Fund provides 90 days of financial assistance to cover non-medical expenses, such as health insurance premiums, housing, transportation and utilities.

By providing this financial bridge, The Pink Fund helps to meet basic needs and decrease stress levels, helping breast cancer patients strengthen their fight to improve survivorship outcomes and quality of life.

The Pink Fund reached the Top 20 ventures in breast cancer innovation in The Big C Competition by LIVESTRONG, and was named a Top Five trustworthy breast cancer charity by Charity Navigator.
OUR FOUNDER & CEO

- Development Director
- Oversees operations
- Purpose Prize Fellow, 2013
- Pink Power Mom, 2013
- Money Magazine “Money Hero” for Michigan, 2014
- Former advertising, marketing and public relations executive
- Former journalist
- BA, Journalism, The University of Michigan

Molly MacDonald, Breast Cancer Survivor
OUR APPLICANTS
Gainfully employed at the time of diagnosis, The Pink Fund’s applicants are women and men, currently ages 26 to 74, single, divorced, widowed, gay, straight or partnered. They often are the primary bread-winners of their households. According to a Pew Research Center analysis published in May 2013, four in 10 American households with children under 18 include a mother who is either the sole or primary earner for her family. They are raising children or grandchildren, and are from every race and faith, educational backgrounds, working at all kinds of jobs, they represent the diversity that makes up our country.
Applicant Pain Point

The majority of our applicants are the near poor, with annual household incomes ranging from $27,000 to $37,000. Average breast cancer treatment is six months. Missing even one paycheck places them in financial jeopardy. Some use whatever credit is available to them, borrowing up to the limit. Those without credit borrow from family, friends and seek other sources of support, including online fundraising.
OUR OPPORTUNITY
Our Understanding of the Market

There is a saying, “Walk a mile in my shoes.”

- We walk beside our applicants everyday, fielding the 1,200 monthly phone calls and reviewing 70+ files each month.

- Statistics and numbers are an indication of the potential scope of the market. However, they cannot communicate the intimate details of our patients stories.

- The 700+ patients and families we have served help us understand the market. They are not reticent about sharing the details of their needs beyond potentially life-saving care.

“The Pink Fund grants allow women to focus on getting better, on just taking care of themselves through the long, grueling miles of treatment, and gives them some financial breathing room on a very real level.” ~ Lisa O., Pink Fund Recipient
The Market

• According to the American Cancer Society, in 2013, an estimated 232,340 new cases of invasive breast cancer were expected to be diagnosed among U.S. women; in 2014, an estimated 2,360 new cases of invasive breast cancer are expected to be diagnosed among U.S. men.

• Potentially the market is tens of thousands, but there is no real way of knowing, as a comprehensive study on the non-medical financial collateral damage has not been conducted.
Our Share of the Market

There are many services provided along the bridge of the breast cancer journey by non-profit breast cancer organizations. The Pink Fund fills a gap in the bridge by providing non-medical financial assistance to patients in treatment.

What WE KNOW: The Pink Fund receives 25 inquiries per day from patients completing the online pre-qualification process to download the paper application; receives 1,200 calls per month with inquiries for assistance; and processes 70 paper applications per month from patients who have met The Pink Fund’s guidelines to receive funding.
Recent Studies Show: Part 1

According to a recent survey of 1,600 cancer survivors published by The ASCO Post:

- 27% surveyed reported at least one financial difficulty; 37% reported making one work modification due to diagnosis

- Those in active treatment reported 120% more financial difficulties than survivors who were less than 5 years post-treatment.

- Women, younger survivors, racial/ethnic minorities, and uninsured survivors were all disproportionately burdened by financial and work-related hardships.
According to a small nationwide survey of 174 cancer patients, also published by The ASCO Post:

- 89% of survey participants used at least one lifestyle-altering strategy and 39% used at least one medical care–altering strategy.

- Younger age, higher education, and shorter time on chemotherapy were all associated with greater likelihood of adopting lifestyle coping strategies.

- Younger patients were also more likely to use care-altering strategies compared to older patients, and lower-income patients used more care-altering strategies than higher-income patients.
Recent Studies Show: Part 3

According to a study by University of Michigan Comprehensive Cancer Center researchers:

- 25% of breast cancer survivors report financial decline due to treatment
- 12% reported that they still have medical debt from their treatment
How We Are Different

Immediate Impact: By making payments directly to the creditors, we make a certain and immediate impact; we know where the money goes.

Simple Program: The Pink Fund’s mission has a single purpose with a simple, easy-to-manage program: non-medical financial assistance.

Helping Patients: By paying 90 days of non-medical bills, The Pink Fund helps patients and their families focus on healing while seeking other sources of support, which may be needed to complete treatment.

Evolving for the Future: With such high demand for our service, what is the natural solution that follows?
OUR PROGRAM
• While fighting for their lives, many breast cancer patients in treatment lose their livelihoods.

• Unable to work, they face catastrophic financial losses.

• The Pink Fund’s 90-day non-medical financial bridge covers health insurance premiums, housing, transportation and utilities.

This financial bridge helps meet basic needs and decrease stress levels, helping breast cancer patients strengthen their fight to improve survivorship outcomes and quality of life.
OUR IMPACT

- The Pink Fund’s Financial Bridge
- Participate in 10-week training program with The Pink Fund to secure additional funding and extend the financial bridge
- Interns trained for work in oncology health care, enabling them to help more patients
OUR IMPACT
(continued)

- **Family Medical Leave Act**
  - (12 weeks)

- Additional Treatment
  - (12 weeks)

- The Pink Fund’s Financial Bridge
  - (90 days)

- Patient Navigator Interns

- More Resources for Pink Fund Applicants

- More Resources for Pink Fund Applicants
IN SUMMARY

- A breast cancer diagnosis can destroy the financial health and wellbeing of the patient and their family.

- The Pink Fund has learned financial struggles can outweigh medical struggles. Patients may stop treatment to get back to work so they can pay their bills.

- The Pink Fund’s 90-day financial bridge covers basic, non-medical living expenses: health insurance premiums, housing, transportation and utilities.

- Average treatment for breast cancer is six months.

- MONEY Magazine, breast cancer advocates, Gayle Sulik and Samantha King, and Charity Navigator, named The Pink Fund as one of the top five trustworthy organizations for Breast Cancer Awareness Month donations.
Dear The Pink Fund -

THANK-You, THANK-You, THANK-You!!!

These words just don't seem like enough to let you know how grateful I am for your generous gift to me. It is truly a wonderful thing that your organization does for others.

God Bless! Dawn