

# New Report Examines Impact of Medical Debt on Black Families

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*Medical debt remains a looming crisis that disproportionately affects Black households and communities*

WASHINGTON – A new report from the National Consumer Law Center, ***The Racial Health and Wealth Gap: Impact of Medical Debt on Black Families***, examines the intersection between the racial health gap and the racial wealth gap and the harms of aggressive medical debt collection. The report comes on the heels of a Consumer Financial Protection Bureau (CFPB) report finding an estimated \$88 billion in medical bills on credit reports.

“Due to long-standing racial inequities in health and wealth, the medical debt crisis has impacted Black families more acutely than white families,” **said Berneta Haynes, staff attorney at the National Consumer Law Center and author of the report.** “In recognition of the explicit role racism plays in medical debt and health disparities, advocates and leaders should take action to protect Black patients from unaffordable medical bills that trap families in a cycle of financial insecurity.”

An alarming number of consumers struggle with medical bills in the United States, with medical debt representing 58% of all debts in collections. Despite the aims of the Affordable Care Act, medical debt remains a looming crisis, disproportionately affecting Black households and communities. 27.9% of Black households carry medical debt compared to 17.2% of white non-Hispanic households.

Structural racism in healthcare was a core feature of Jim Crow segregation, and the legacy of that history persists, affecting Black people’s health outcomes and access to quality healthcare. The COVID-19 pandemic has exposed the reality of stark racial inequities and gaps in health, with Black people and other people of color more likely to become ill and die from COVID-19.

Unlike other expenses, medical bills often arrive unexpectedly, sending families spiraling into a financial crisis. The situation worsens as medical bills go unpaid and end up reported to credit bureaus, harming consumer credit scores that increasingly have become important for obtaining employment, housing, and other financial products. As a result, medical debt can lead to long-term financial insecurity.

“Medical debt must be addressed as a racial justice issue with advocates and policymakers targeting medical debt solutions to Black communities and households,” **said Haynes.**

Additional resources for advocates, policymakers, and community members interested in pushing for greater protections against the medical debt trap include:

- Don’t Add Insult to Injury: Medical Debt and Credit Reports
- An Ounce of Prevention: A Review of Hospital Financial Assistance Policies in the States
- NCLC’s Model Medical Protection Act