

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 712
(A-23)

Introduced by: New Jersey

Subject: Medical Bankruptcy – A Unique Feature in the USA

Referred to: Reference Committee G

1 Whereas, In 2020, medical debt was \$429 million across the United States; and
2
3 Whereas, The United States is the only developed nation that has such an enormous medical
4 debt; and
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6 Whereas, In this country medical bills are the most common reason for bankruptcy. 17% of
7 adults with health care debt had to declare bankruptcy or lose their home because of it in 2022;
8 and
9
10 Whereas, The United States already has the most expensive health care of any country, despite
11 the medical bankruptcies; and
12
13 Whereas, The average age of a medial bankruptcy filer is 44.9 years old and 66.5% of all
14 bankruptcies are caused directly by medical debt, making it the leading cause for bankruptcy;
15 and
16
17 Whereas, Projections by the Centers for Medicare and Medicaid Services project that
18 healthcare expenditures will increase 50% by 2028, to 6.2 trillion dollars; and
19
20 Whereas, In 2019 Americans borrowed an estimated \$90 billion to pay for health care; and
21
22 Whereas, On average, couples that retire at age 65 pay a total of \$275,000 in medical bills for
23 the remainder of their life; and
24
25 Whereas, About 51% of single-person households with private insurance reported they would
26 be unable to pay a \$6,000 medical bill. 32% reported they would be unable to pay a \$2000
27 medical bill; and
28
29 Whereas, Americans health care expenses account for nearly 20% of GDP, which is almost
30 double that of most other developed countries. From 2000 to 2019, annual health insurance
31 premiums increased by approximately 50%; and
32
33 Whereas, According to the Organization for Economic Cooperation and Development, higher
34 out-of-pocket costs have been shown to translate to worse health outcomes. These costs cover
35 everything paid for directly by an individual, including prescription drug and physician visit
36 copays, health insurance deductibles and medical goods for personal use. Higher out-of-pocket
37 medical costs can deter someone with a medical problem from seeking treatment; and

1 Whereas, Americans had a life expectancy at birth of 78.6 years, which is lower than nearly all
2 developed countries. For example, France has a life expectancy at birth of 82.6 years, four
3 years longer than the United States; and
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5 Whereas, In 2018 America's total healthcare bill, including spending on government programs,
6 private health insurance, and patients' out-of-pocket costs exceeded \$10,000 per person, which
7 was more than twice what governments, insurers, and patients in the Netherlands, Canada,
8 France, and the United Kingdom spent, and almost twice Germany's healthcare costs; and
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10 Whereas, In the rest of the developed world, medical costs are rarely or never cited as a driver
11 behind personal bankruptcy; therefore be it
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13 RESOLVED, That our American Medical Association study the causes of medical bankruptcy in
14 the United States and draft a report for presentation at the 2024 Annual House of Delegates
15 meeting, with such report to include recommendations to the House of Delegates to severely
16 reduce the problem of medical debt. (Directive to take action)

Fiscal Note: Modest - between \$1,000 - \$5,000

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