

Medical Bills Major Cause of Bankruptcy

One-half million people filed bankruptcy last year because they could not pay medical expenses, according to a study published May 2000 in Norton's Bankruptcy Adviser. A total of one million people filed for bankruptcy last year in the United States. According to Harvard Professor Elizabeth Warren, who conducted the study, the problem stems from the US health care system.

While loss of work remains the number one cause of bankruptcy, "when people lose their jobs, they also lose their health insurance. The combination often creates a blow that families cannot recover from without bankruptcy." The groups most often affected by medical debt include seniors, women and families, according to the study. People hardest hit by medical debt often have some insurance, but not enough to cover all the costs of treatment.