

Sounding the Alarm on the Human Cost of Medical Debt

POSTED BY: INDUSTRY EXPERT FEBRUARY 25, 2025



A Call for Proactive ER Financing

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Nearly [136 million](#) Americans visit the ER each year for various reasons like chest pain, fever, and shortness of breath. Unfortunately, these high-cost care episodes, whether in ERs, trauma centers, or specialty facilities, carry significant financial burdens for both patients and healthcare systems. These encounters, often marked by urgent, high-need care, can lead to unexpected medical bills that overwhelm unprepared patients and result in unpaid balances for providers. Addressing this issue requires a proactive approach to patient financing that ensures financial stability for health systems and access to care for patients.

The Dual Financial Strain

Under the [Emergency Medical Treatment and Labor Act \(EMTALA\)](#), emergency physicians are prohibited from discussing costs or insurance details with patients until they are screened and stabilized. While this law ensures care is prioritized over financial concerns, it often leaves patients unaware of the potential costs until after treatment. The result? [Nearly 70% of emergency care services go un- or under-compensated](#). For patients, this creates an overwhelming hardship.



Data from the [Kaiser Family Foundation \(KFF\)](#) reveals that individuals in the top 1% of out-of-pocket healthcare spenders paid an average of \$24,490 annually in 2021. Even those in the top 10% spent approximately \$6,190 per year. These financial pressures often force patients to delay necessary follow-up care or default on their medical bills entirely.

Healthcare systems face equally pressing challenges. Providers that previously relied on selling patient bad-debt or collecting from low-income individuals are now navigating new state regulations that restrict how they can pursue unpaid medical bills, forcing them to absorb the cost. Rising levels of [bad medical debt](#) limit their ability to reinvest in critical areas, such as staffing, infrastructure, and innovative care delivery models. High-need, high-cost patients—a small but impactful segment of the population—account for a disproportionately large share of healthcare use and costs, making innovative financial solutions essential to sustaining both patient care and organizational financial stability.

Supporting Patients with Affordable Care

The first step in supporting patients during high-cost care episodes is verifying their eligibility for an Affordable Care Act (ACA) plan, as many may be under- or uninsured. While health systems often have dedicated teams to assist with enrollment, eligible patients still frequently face significant out-of-pocket expenses, including co-pays and deductibles for infusion therapy, medications, procedures, and other essential treatments—costs that can reach thousands of dollars for more severe conditions.

Healthcare systems that proactively offer flexible financing options can help patients navigate the cost of care. This involves implementing real-time screening and enrollment processes that connect patients with flexible payment options at the point of care, such as in the ER and other high-cost departments. By addressing financial concerns early on, we can reduce the burden

of medical debt on patients while ensuring hospitals receive the necessary revenue to provide quality care.

Key strategies include:

- **Real-Time Screening and Enrollment:** Leveraging technology to identify, inform and possibly enroll eligible patients in financing programs during their visit. This ensures that individuals have immediate access to payment solutions tailored to their needs.
- **Flexible Payment Options:** Offering installment plans or deferred payment solutions that align with patients' financial capabilities. This approach can reduce the likelihood of defaults and builds trust between patients and providers.
- **Enhanced Patient Experience:** Healthcare systems can improve patient satisfaction and strengthen long-term engagement by reducing financial uncertainty.

Improving Healthcare for All: A Focus on Affordability

High-cost healthcare events can have a devastating impact on the entire healthcare system. Patients often struggle to afford care, leading to delayed treatment, financial hardship, and even bankruptcy. This also impacts providers, who face the burden of uncollected bills, limiting their ability to invest in the latest technologies and improve patient outcomes.

Proactive patient financing offers a critical solution. By offering flexible payment options, patients can better manage the cost of care and prioritize their health. At the same time, this improves cash flow for health systems, allowing them to reinvest in their facilities, expand services, and enhance the overall patient experience. Ultimately, a strong patient financing strategy is about more than just money. It's an investment in the health and well-being of all communities.