



## Summary/Intro

### Medical Debt:

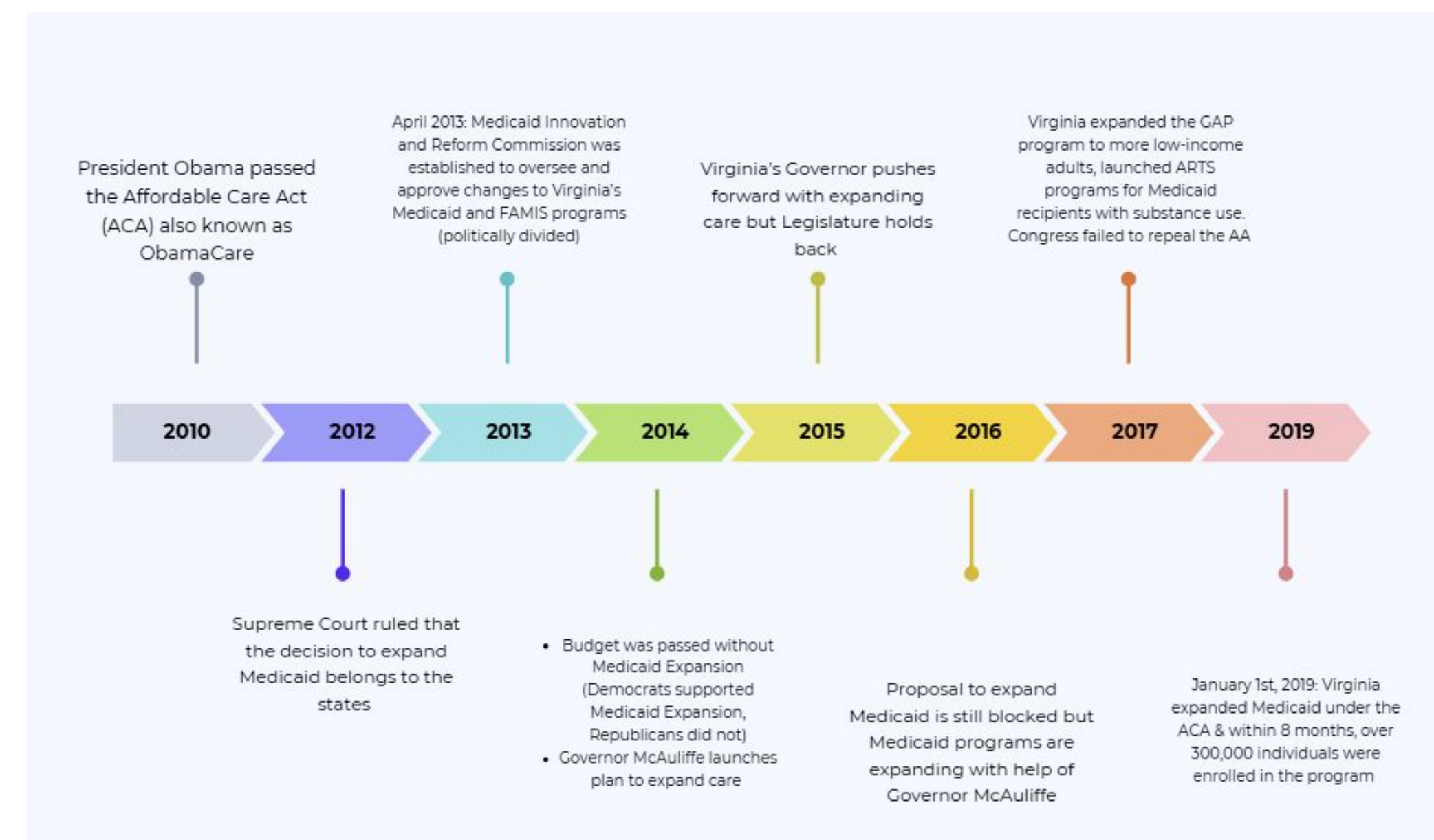
- Unpaid expenses that are owed to healthcare providers and for other related expenses
- includes office or emergency room visits, prescription medications, medical devices and equipment, transportation to receive health care services

### Vulnerable Populations:

- Low-income individuals
- People of color
- The uninsured & underinsured
- People with disabilities/chronic conditions
- Women
- Middle-aged individuals (until 65+ and eligible for medicare)

## Background

### Virginia Medicaid Timeline

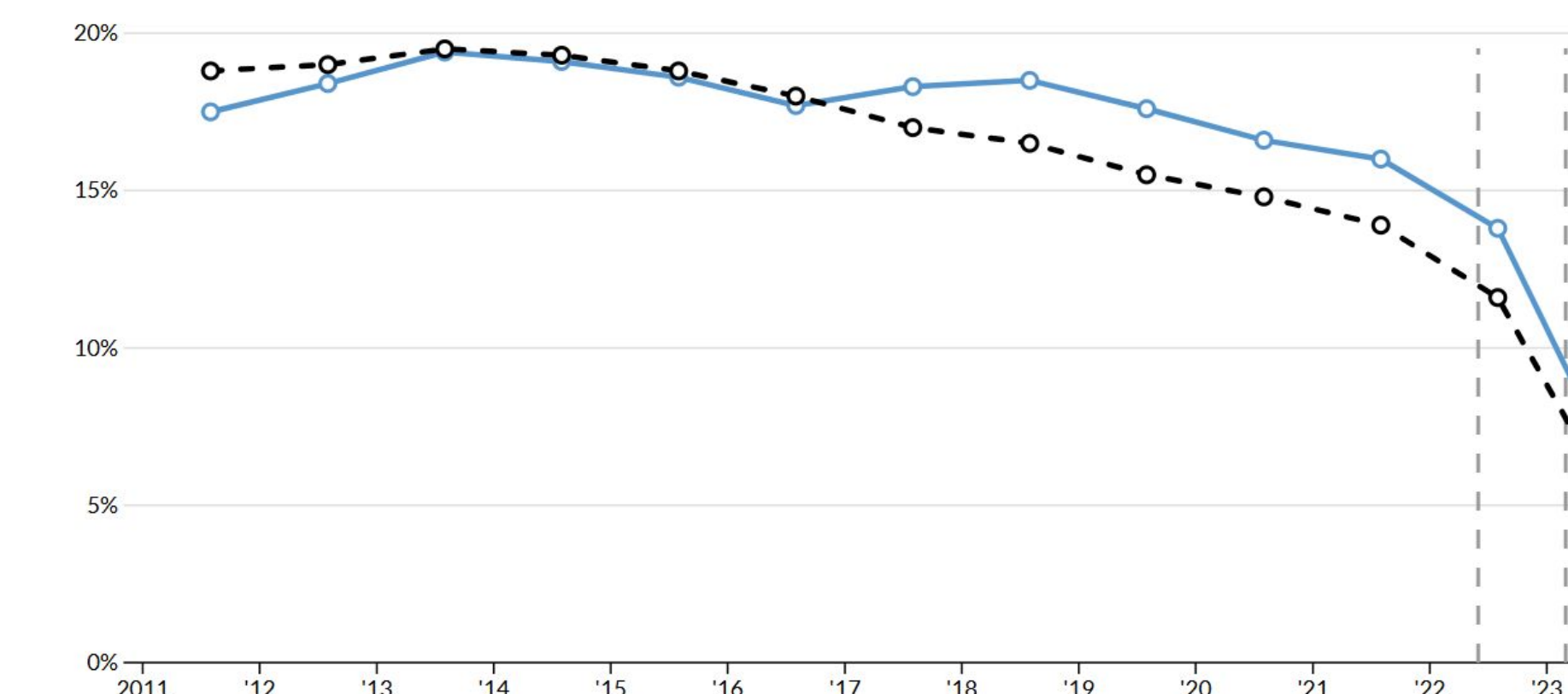


### Why Medical Debt is a Problem:

- Causes long-term financial distress through trying to pay off costs by:
  - using savings to pay off debt
  - cutting back on necessities (food, heat, clothing)
  - taking on another job/working more hours
  - taking on additional debt in other ways
- Leads to skipping/delaying of medical care which can lead to worsening health & more costs later on
- 41% of U.S. adults have medical debt

## VA Diverges in Medical Debt Trends from US Average

### US vs Virginia Medicaid Debt Collections

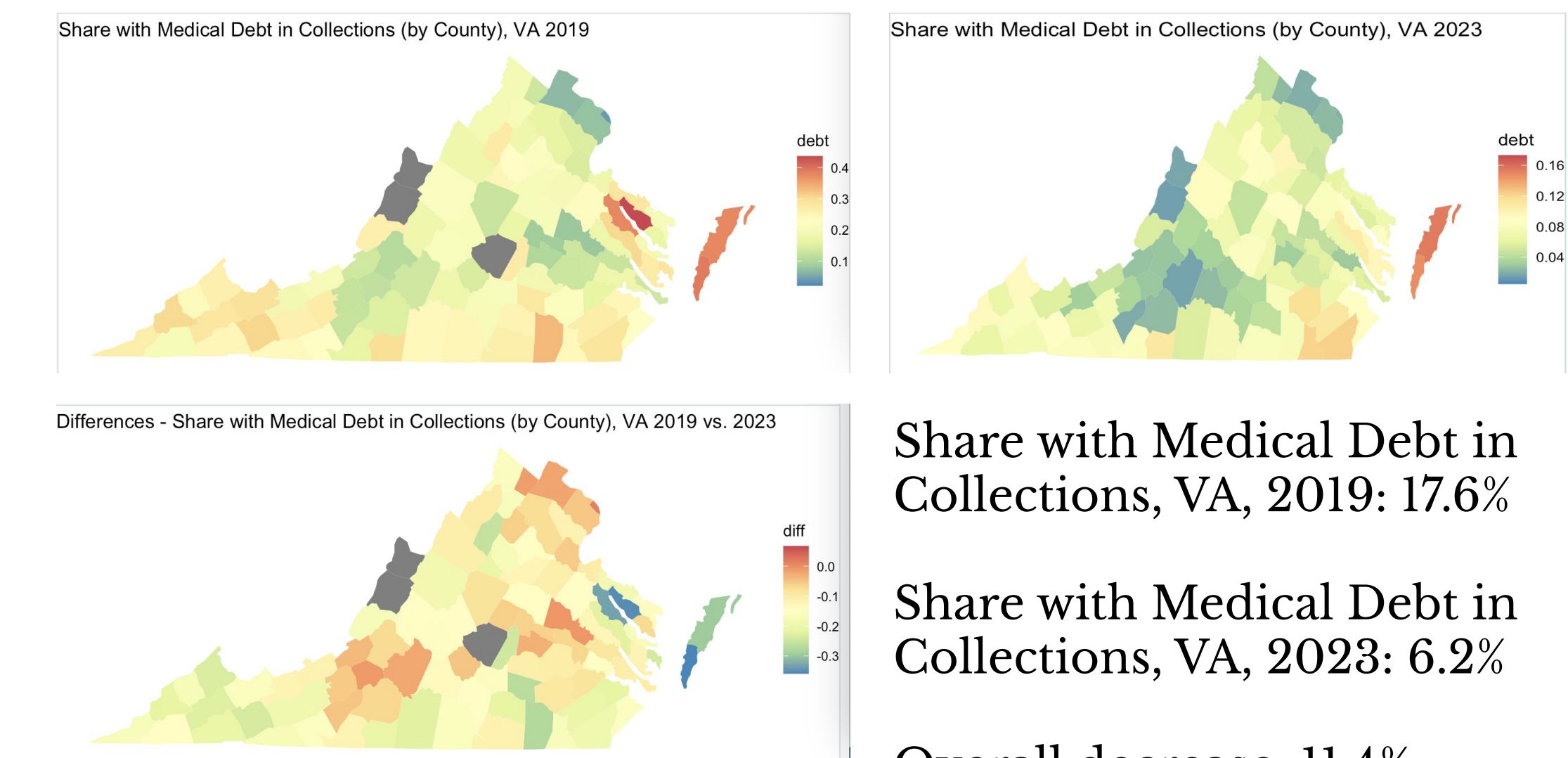


Proposed Hypothesis:  
VA expanded their Medicaid (2019) much later than other states

## Policy Implications of Possible Medicaid Rollback

- Trigger laws would end expansion or require change if federal rates drop below 90%
- Hundred of thousands of Virginians and families will lose insurance coverage
- Smaller hospitals could close
- Rural & communities of color will be heavily impacted

## Decreases in Medical Debt Incidence Post-Medicaid Expansion



Share with Medical Debt in Collections, VA, 2019: 17.6%

Share with Medical Debt in Collections, VA, 2023: 6.2%

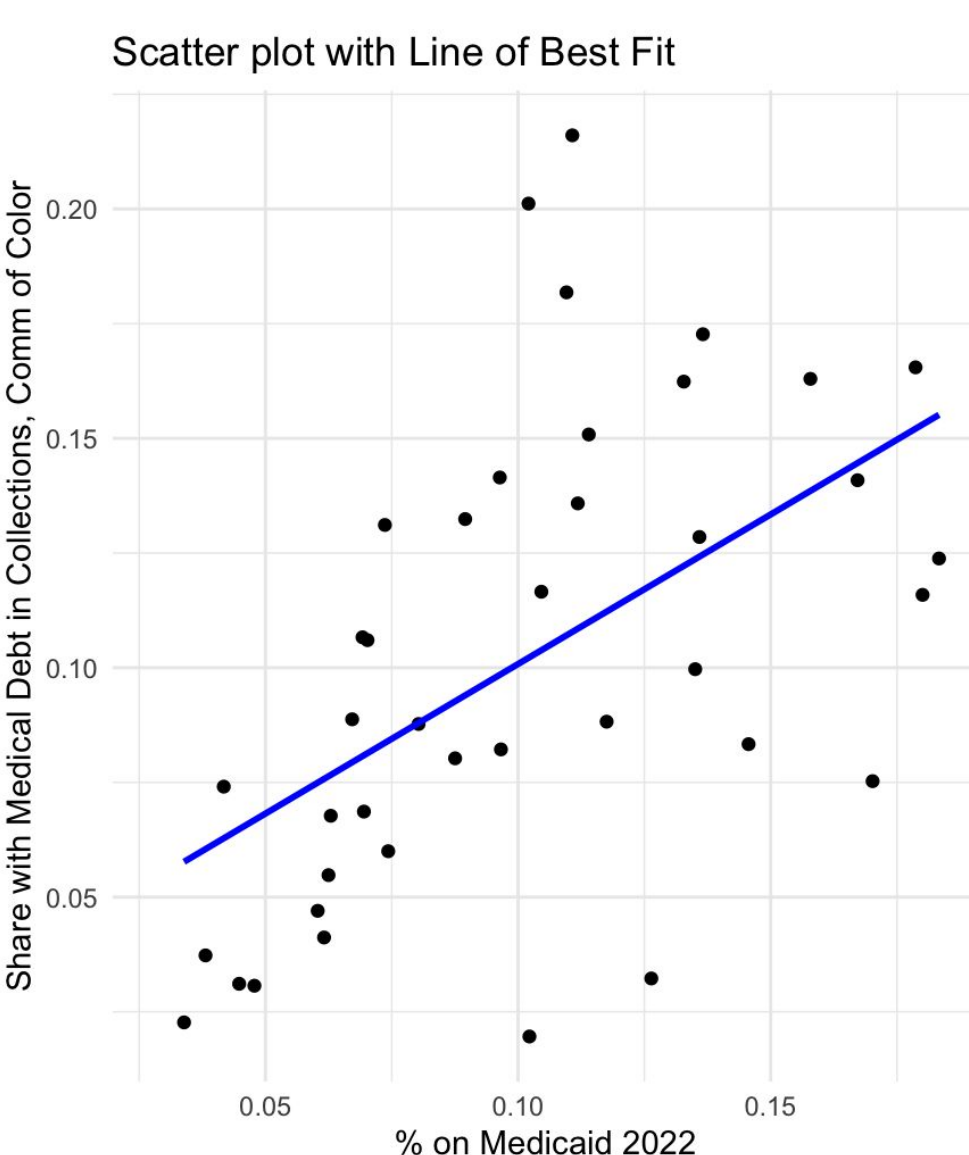
Overall decrease: 11.4%

Largest decreases post-Medicaid expansion observed in Essex (29%), Richmond (38%), and Northampton (24%) Counties, in Tidewater/Peninsula region.

Does not necessarily align with % expected to gain coverage

## Differential Impact in Communities of Color

Effect of level for Medical Debt on Medicaid Enrollment, Colored Communities

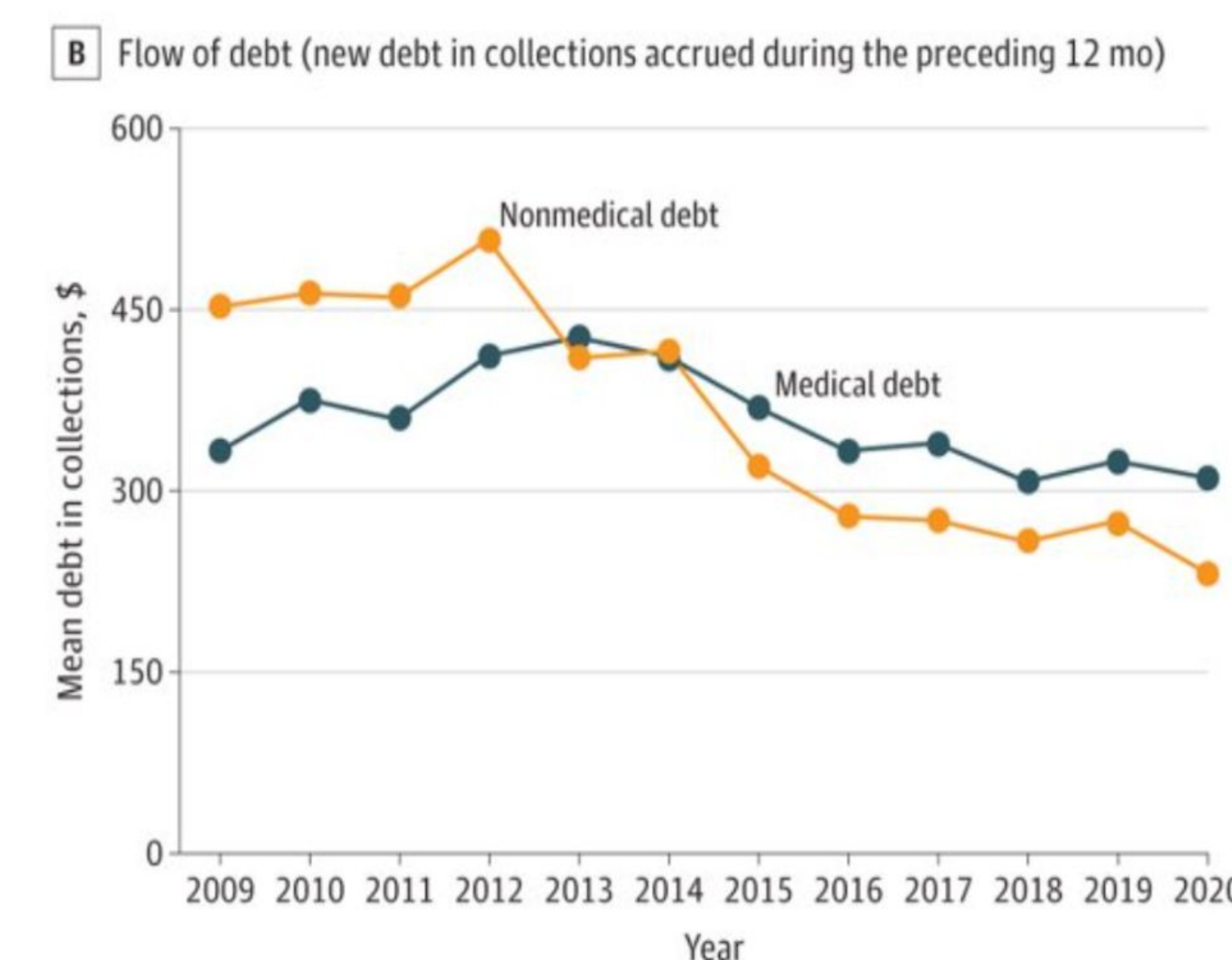
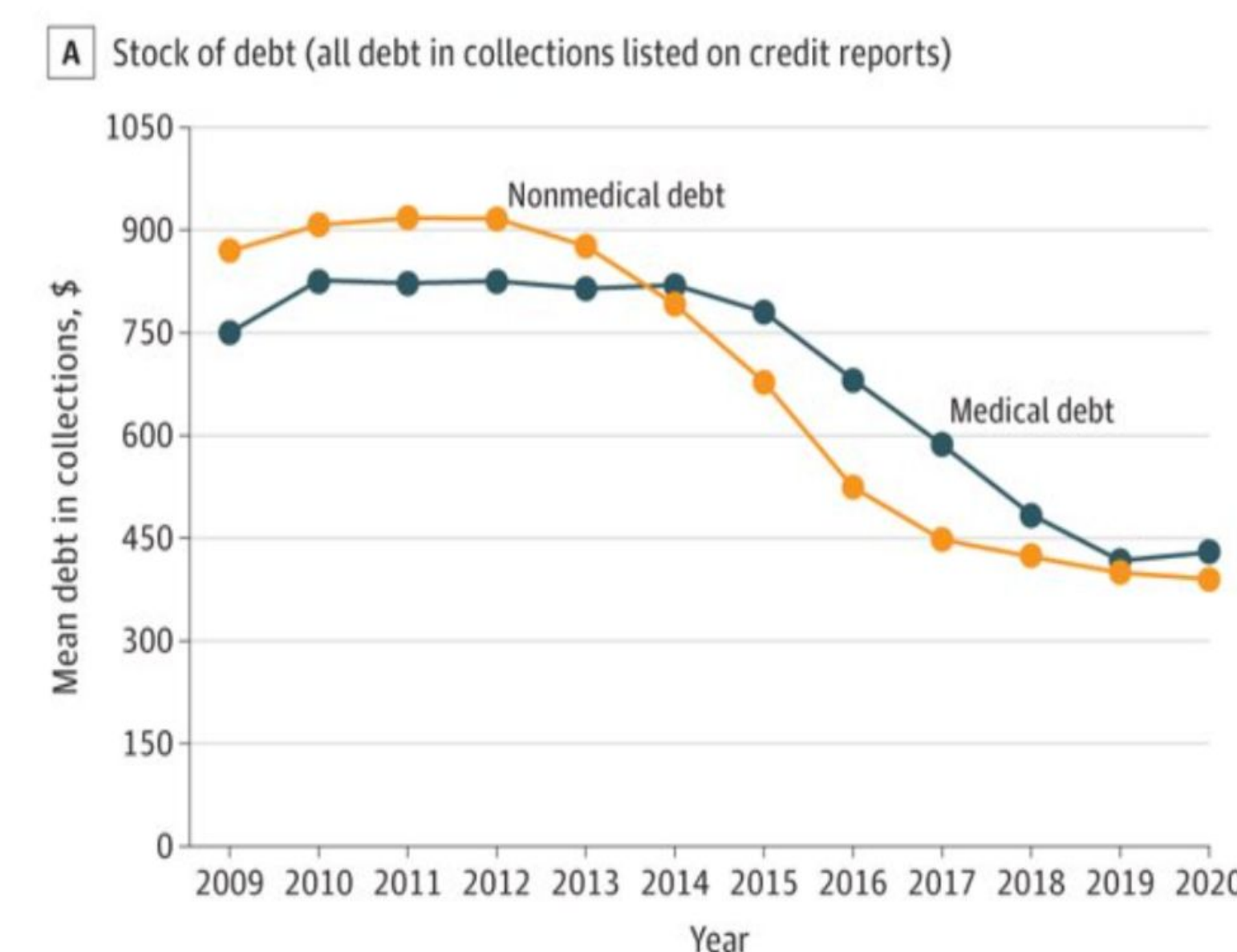


Colored communities experience more frequent medical debt than unspecified communities.

Additionally, there is a stronger linear relationship between Medicaid enrollment and medical debt share in unspecified communities.

## Contributing Factors to Medical Debt

- Delayed Medicaid Expansion
- High Deductibles
- Common health care needs
- Dental Bills
- Pregnancy and childbirth
- Complications in billing/insurance practices
- 1 time/short term medical expense



## Discussion

- Medicaid debt is a **widespread, systemic issue** that impacts over 100 million Americans
- Medicaid expansion **significantly reduces** medicaid debt, improves access to care and lowers financial strain
- In **Virginia**, medical debt **dropped by an average of 14%** across counties after Medicaid expansion in 2019
- **Low income communities and people of color** benefit most, but risk remain due to underinsurance, coverage gaps, and complex billing
- **Protecting and strengthening Medicaid expansion** is vital to reducing medical debt and promoting health equity in VA and beyond