

Transcript: “Your Money or Your Life”: Dr. Luke Messac’s book on the history of medical debt

Dan: Hey there.

A couple years ago, I got in touch with a guy who'd been posting about this show on Twitter.

Luke Messac: Hi, yeah, my name is Luke Messick.

Dan: Luke is a doctor. He’s an instructor of emergency medicine at Harvard. And he’s a Ph.D. historian.

He told me he was writing a history of something we cover a lot on this show. Medical debt.

Luke Messac: It's a problem I couldn't avoid and therefore couldn't avoid writing about.

Dan: And now that book is out. It's called Your Money or Your Life. It tells the story of how the collection of medical debt in the US became so aggressive, the real impact it has on patients and - especially important for us - a different way to do things.

This is An Arm and a Leg, a show about why healthcare costs so freaking much and what we can maybe do about it. I'm Dan Weissmann. I'm a reporter, and I like a challenge. So, our job on this show, it's to take one of the most enraging, terrifying, depressing parts of American life and bring you something entertaining, empowering, and useful.

Dan: Luke Messac says his journey begins with this guy.

Paul Farmer: It's not intellectually shallow to have hope. That's a profound thing, you know...

Dan: That’s Paul Farmer - and YES, you may have heard me mention him recently, like when we talked about the writer John Green.

Paul Farmer was a doctor who founded an amazing global health organization called Partners in Health.

He's the subject of a book called *Mountains Beyond Mountains*, which focuses a lot on his work in Haiti,

and which, I'm gonna say again here: When we start a book club on this show, that's my vote for our first read.

Anyway, Luke started watching Paul Farmer's videos as a kid. And ended up as his student.

Luke Messac: I knew I wanted to be in medicine. I knew I wanted to be a doctor. When I first got into Harvard as a 17 year old kid, I, I think YouTube was just starting at that point. I'm going to date myself. And I saw some of his lectures and this was right around the time when *Mountains Beyond Mountains* came out. And I started to learn more about his work. My father was born in Haiti and I've always had a special affinity for the country, which I, feel some roots, roots. And, and so I, I heard about him. I really lucked out. In that that one year, he was teaching a freshman seminar, uh, for 12 kids and I, ended up taking this class with him as freshmen and then kind of clung for dear life to, to work with the organization, uh, after that, because we were hooked.

Dan: I mean, what an incredible opportunity. And, you know, I've only, I only know him right through his kind of public persona and mostly through reading that book, which is now like 20 years old, I think, um but you know, he seems like such an inspiring person who doesn't accept half measures.

Luke Messac: Yeah, he, he insisted on a few things, and one of them was that the poor patient shouldn't get care any less, uh, decent than the care that anyone else would expect, that the care that we deliver at Brigham and Women's Hospital, where he also worked, should be the standard of care that should be delivered everywhere, including rural Haiti, including rural Rwanda. And he would call that an aspirational goal sometimes, but it's one that he was extremely serious about and devoted. I, you know, it's hard to imagine how much effort he did. He, this guy did not stop working. Uh, you couldn't keep up with him, but he also made space for students, especially younger students, people who weren't even in their medical training yet. He made so much time for me. So much time for us.

Dan: So did you, like, apply to MD PhD programs, like, at the same time, like you're, like, finishing undergrad and you're like, okay, uh, all right, here's the, here's the plan for the next 15 years. Or did, things evolve? Like, how did that work?

Luke Messac: Yeah, essentially. I mean, I'm somewhat loathe to give up a little secret, which is that the MD PhD programs in the United States are paid for by the federal government. At least that still remains the case. And so if you want to get a medical degree in the United States, most of the time you're going to come out unless you're independently wealthy with six figures in debt. And I'm not talking low six figures. If you want to get an MD-PhD in the United States, that is still funded by the federal government. So you're going to graduate with 0 in debt from medical school or graduate school, and you'll get a stipend on top of that. So it is a long road, but it is one that comes with some some benefits and doesn't leave you tremendously in the hole when you come out feeling like you can't do anything but try to pay back that debt.

Dan: That is really, really wild. It's really interesting that it's, I mean, There's something very poetic about you entering this program that allows you to, uh, emerge from it without debt, and then using that resource to build an understanding of and campaign against debt.

So, it's fall 2019 and this is your story. This is how you arrived here. You are yourself basically debt free, and you've been following a path. And you note that you had been reading about, medical debt lawsuits.

Luke Messac: Yeah, I'd seen it in ProPublica, Kaiser Family Foundation, um, and in various newspapers across the country. And I had friends in training at Johns Hopkins hospitals, in Baltimore, and I saw them post pictures of their protests against their own hospitals, practice of suing patients, oftentimes their own low paid employees for medical debts they couldn't afford to pay. Their work was really an inspiration to me to find out if this kind of thing was going on elsewhere. I thought it didn't. I thought it was very anomalous practice. I didn't think I'd find too much, uh, in the way of it happening in my neck of the woods, but I was, I was wrong about that.

Dan: So in the book, you tell the story that you went to the courthouse in Providence, Rhode Island, where you were working as a medical resident to look up medical debt lawsuits, And you're still imagining this as like, well, this is some kind of outlier thing. I'm not going to find it. But you're like, you're just a little curious?

Luke Messac: Being a historian is a very solitary and quiet existence. And that is something that you cannot say of the emergency department, neither solitary nor quiet ever. And so I was I had a day off. I wanted to relive my days in the archive. And I wanted to answer this question, and I went to the courthouse. And I asked to be led into the court records. And so basically they let you into

this back room, uh, looks like, uh, an office from office space, like the movie, uh, a lot of UV light and white walls. And a very old computer that looks like it came out of the late 1990s, early 2000s, and you pull up the database, also a very clunky looking old database, and you can type in your hospital or type in your business or type in an individual and see if they've ever been involved in the court system. And so I did that, I looked up, uh, my hospital system, other hospital systems in the state, and some of the lawsuits were what you'd expect.

Dan: Like medical malpractice suits. And run of the mill employment disputes. But he also saw lawsuits against the hospital's patients. A lot of lawsuits.

Luke: and when they were filed, oftentimes they would get a response from the defendant, and these responses would show me that some of defendants were single mothers. Some of defendants were living on social security disability. Some of the defendants were recent immigrants who had trouble responding in English and so wrote back in their native languages, pleading for leniency. And when they asked for such, they would get some in the form of usually a payment plan. Maybe they would be asked to pay some amount every month for the next five years, six years, seven years to cover the cost of a single visit. And if they signed up for those payment plans, then they would be told that if they missed any payments, that they would be charged double digit interest rates. And if they didn't respond, as many didn't, then they would lose the case by default. And oftentimes have their wages garnished have 25% of their wages taken from them every month. And so these were really punitive measures being taken against really vulnerable patients. The vast majority of lawsuits in the state were filed by the hospitals in which I worked,.

And this was really disturbing to me. I always comforted my patients who worried about the cost of their care when they came in and said, oh boy, am I going to be able to afford this? Um, you know, should I have come in at all? And I always tried to comfort them and say, oh, don't worry about it. Even if you're uninsured, we have financial assistance. You'll, you know, we don't, we don't go after people. And I was wrong. I was dead wrong about that. And that made me feel, uh, pretty awful.

Dan: In the book, you say you felt shame.

Luke Messac: Yeah, it was a mixture of anger and surprise and shame, because I always knew that our healthcare system was full of injustice, that so many people can't afford insurance, even those who do, aren't always able to afford their care, that the distribution of resources runs along steep gradients of inequality. But I didn't realize that I was such a direct participant in that

injustice, that the care I was delivering to patients was resulting in them showing up in court or having their wages garnished or signing up for a payment plan that they would be paying for the better part of a decade. So that was really the source of my shame.

Dan: And what did you do? Like, I know eventually you took lots of actions, but like, what did you do immediately?

Luke Messac: Yeah, I talked to my friends. I talked to some mentors. I talked to my wife, who is also in medicine, but was working elsewhere. And all of us shared the same sense of shock and anger and shame, because none of us wanted to be doing that to our patients. We all kind of shared the same sense of shock but. I didn't know what to do at first. I didn't know where to turn.

Dan: At first you tried Twitter, right? Or Facebook or...

Luke Messac: uh, yeah, I did. I just started using Twitter the year before I put out a couple of, you know, impotently angry tweets about it and said, someone's got to do something about this. This shouldn't exist. And, uh, didn't get much of a response. You know, a few friends of mine said, right on. But, you know, it, it wasn't, it wasn't making much of a dent.

Dan: So he wrote an op ed. Submitted everywhere he could think of – New York Times, Wall Street Journal, Washington Post, even his hometown paper, the Providence Journal.

Luke Messac: No one was interested. No bites. And then there was a small, uh, lefty blog run by this guy, Steve Alquist, a real muckraking crusader here in Providence. And I sent it to him and he said, this is really interesting. Absolutely., I'll run it. I didn't know if it would make any difference whether this blog post on Uprise Rhode Island, uh, uh, you know, would, would cause any waves, but sure enough, the morning it went up, I got a call from my superiors of the hospital saying they definitely wanted to meet. So it had, it had something of its desired effect. Although, uh, I won't recommend the approach to everybody because it, it, it did imperil my job.

Dan: Because that first meeting was not set up as a friendly chat. The message also said he could face public correction or worse, dot dot dot.

Luke Messac: So I wondered what that or worse could be.

Dan: You met with a top administrator who was like, you're just wrong buddy, we don't do that, that never happens, I would know.

Luke Messac: Yeah, they did tell me that they didn't sue patients, that I was wrong. And to be honest, it raised a couple other questions in my mind, saying... Is this guy just lying to me or does he literally not know? And so when I was able to prove to the folks who I was meeting with that were indeed suing patients, in fact, some of these lawsuits were filed in the last few weeks, they quickly changed course, they severed their relationship with the debt collector who was filing the lawsuits on their behalf and dismissed the remainder of the cases. So that was a, that was a sanguine outcome from that one thing, but it did make me realize a few things. One was that, you know, I'd really only started to understand what on earth was going on and how so many patients were being sued and how it was being done in a way that, uh, most of us who were involved in delivering care and even a lot of the people who were involved in running the hospital didn't seem to know that this was happening.

Dan: So Luke Messac, the doctor, now knew that hospitals, including his, were suing patients to collect debt. Luke Messac, the historian, wanted to figure out when this practice started and why. That's after this...

This episode of An Arm and a Leg is produced in partnership with KFF Health News. That's a nonprofit newsroom covering health care in America. Their work is terrific. Wins all kinds of awards every year. So proud to work with them.

Luke writes: "Medical debts have long spurred people to desperate acts: theft, suicide, plane hijacking," And yes, the story of the hijacking is in the book.

But, he also writes quote: "the modern era of pay-up-or-else health financing and aggressive debt collection began in earnest during the last two decades of the twentieth century, as threats to their own survival made hospitals less financially forgiving toward their patients." Unquote.

He writes about the eighties, how changes to Medicare and Medicaid left hospitals strapped for cash. And how they tried to make up the difference by charging higher prices to private insurers-- which meant higher prices for the uninsured too.

And how in the nineties, private insurers started pushing back hard on how much they'd pay, and what they'd pay for. And that hit hospitals in the pocketbook hard.

Luke Messac: And really the question is when those cost pressures start, who's going to make up the difference? And for a lot of places, it was patients. It was patients paying in the form of higher deductibles, higher copays, or for the uninsured, more aggressive debt collection measures. And so a lot of hospitals would leave debts on the books for years, even decades, until this time when they started saying, we're done waiting for our money. Literally, we're done waiting for our money was the line. And so they turned to third party debt collectors to whom they would either assign debts or sell debts, and those debt collectors really introduced a whole new series of tactics that involved the court system that involved, uh, wage garnishment and reporting debt to credit bureaus and placing liens on property and foreclosing on homes and sometimes even seeking the arrest of patients who didn't show up to hearings. So this was a really brave new world of medical debt collection that we continue to live with today.

Dan: So here's what I don't really get, um, this comes up whenever you see stories about hospitals sue patients over debts. It's like how little money this actually generates for hospitals. And this is evident from like your very, your accounts of the very first sales of debts that hospitals are selling you know, these very large collections of debts for tiny, tiny amounts and like, so, what's the point?

Luke Messac: That is the persisting mystery of all of this. I think I have a few reasons why this might've happened. One is that it is a revenue garnering tactic, even as small as it is, it puts you a little more in the black or a little less in the red. And if you are a hospital financial administrator who's charged with making sure that you remain as much in the black as possible or less in the red, then you're going to take every tool in your toolkit until someone tells you not to. And without doctors and nurses and healthcare professionals really being involved in the process or aware that the process is going on, there's really nothing to stop them. And the only people who you're hearing from are debt collectors themselves. They are selling their wares at your door. They are at all your conferences. They are promising you that they will help your situation so why not? I mean, your billing and collections office doesn't want to deal with these bills. Folks who work in hospital billing offices, they're used to dealing with insurers. They don't mind that at all, right? This trench warfare trying to get insurers to pay up and dealing with all of their rigmarole in the reimbursement process is something in which they are well trained. But very few people want to deal with what are called self pay patients. They don't want to be on the phone with poor folks trying to get them to pay up. And so you're taking a headache off their hands by handing it to a third party debt collector who's telling you that they'll bet they're better at it anyway. So I think a lot of that has to do with kind of just the, the headache saved and the promised

resources, however small they are from turning to this tactic. It just is too easy to do at this point.

Dan: Luke's book profiles some of the early trailblazers in this headache saving business.

A guy named Michael Barrist founded NCO Financial Systems. A company that bought so much medical debt that they became known as the Walmart of debt collection.

A salesman for the company named Charles Piola was so good at selling the company's services to doctors offices and hospitals that Inc magazine dubbed him the king of cold calls.

Luke writes that the company's tactics included contacting patients up to 50 times in four or five months, and finding them at their workplaces.

And these were not folks whose training started with a hippocratic oath: Do no harm. That was not their context.

Luke Messac: Their reference points are really other forms of consumer debt. When people don't pay for their cars, their cars get impounded. When people don't pay their credit card bills, they get double digit interest rates too. When people don't pay for their homes, those homes get foreclosed. So when people don't pay their medical bills, then use the tools at your disposal, including the legal system. There was also some concern that if hospitals were too lenient on patients, that they might be running afoul of some Medicare rules about kickbacks. Um, and this is an interesting concern, one that I saw raised in some legal papers, but it's one that, at least for the last 20 years, the Department of Health and Human Services has tried to allay. And some hospitals have foresworn the practice. There are hundreds of hospitals out there who just do not sue patients, will not sue patients, and will tell you straight out, we don't do it, we won't do it. And they're not getting sued by the federal government for kickbacks, right? So it's not necessary. You don't have to do it. And yet hospitals still do.

Dan: Towards the end of the book, you talk about like, how do we reform this system and that this issue of these kind of aggressive debt collection practices kind of rouse the conscience of most everyone. When individual institutions get the spotlight shown on, they generally stop doing it. But it's not enough. Like it still leaves people with so, so many people with so much debt, with so many bills they can't pay.

Luke Messac: Yeah. I have a lot of sympathy for people who feel like this problem is just too big. Or that they have other things that they need to do. For patients, often the patients who face this problems, you know, they're often dealing with their own illnesses and their own debts and their own problems and to ask them to solve the problem themselves doesn't seem a reasonable solution. But then I also have sympathy for the people who work in hospitals, the doctors, the nurses, the respiratory technicians, the janitors, the administrators, even who feel like their work is harder than ever and that they have enough trouble trying to make sure their patients get decent care and that they're able to keep their own heads above water while doing it and not burn out and ask them to really look upon a really ugly feature of the healthcare system. And not only imbibe it and make sense of it, but do something about it. That's asking a lot. And I'm really cognizant of the fact that we're already asking so much of healthcare workers around the country. But I do think it's something we need to take on. The best efforts are really the collective ones. And so I would say any possibility of joining up with other like minded folks who are already doing this work is going to be so much more fun, so much more effective.

Dan: Find your people,

Luke Messac: Amen. And then look around and see what your own place is doing your own hospital system because I I regret to inform you that some of them won't be what you hoped, but they are susceptible to pressure. They are capable of shame. And so there is a lot you can do close to home to make sure that your own institution is doing right by patients. Find out if your institution is suing patients. Look up your own hospital's financial assistance policy and see what sort of extraordinary collection actions they will take against patients. See how patients qualify for free and discounted care and ask yourself is that as much as the hospital system could be doing given their resources. So there's a lot you could do. Some of it involves grand systemic change, and some of it involves just making sure that where you go to work every day, where you're training, where you're studying is a place that you can believe in.

Dan: Luke Messac's book is "Your Money or Your Life: Debt Collection in American Medicine." It is out NOW from Oxford University Press.

And speaking of right now: NEWSMATCH-- is in effect.

This is where we raise the biggest piece of our budget for next year, with your help. And the NewsMatch program matches every dollar you give us.

The place to go is arm and a leg show dot com, slash, support.

Next time on An Arm and a Leg: For a lot of us, November is open enrollment for next year's health insurance.

Last year around this time, Ellen Hahn was absolutely scrambling -- super creatively.

Ellen Hahn: When I was a kid, I dreamed about being an actor. I didn't dream about having health insurance. I just kind of thought I would have it.

Dan: She decided to make a short film and cast herself in it. And she raised the money by crowdsourcing online. The title: Ellen Needs Insurance.

Now, the movie's out, We'll hear all about it.

And: of course this year, she needs insurance all over again. Plus her union has been on strike since May. Whoa. We'll find out what she's got planned.

That's in two weeks. Meanwhile, I am saying please do take a minute to pitch in to help us make this show. Every dollar gets matched.

The place to do that is arm and a leg show, dot com, slash support.

That's arm and a leg show dot com, slash: support

Thank you so much. Catch you in a couple weeks, with Ellen Needs Insurance.

Till then, take care of yourself.