



Local Bankruptcy Attorneys Agree That Medical Bills Play a Role In a Majority of Bankruptcies

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In the wake of a Harvard study published in the American Journal of Medicine, which found that medical bills were a factor in 62% of bankruptcies nationwide, the Dallas Morning News interviewed local attorneys and consumer advocates concerning those findings.

Carolyn Chesnutt, a bankruptcy lawyer with Addison-based Charles R. Chesnutt, P.C., stated, "Often the most responsible, loving, hardworking, bill-paying people file for bankruptcy because of medical debt."

Todd Mark of Frisco, who is vice-president of education at the Consumer Credit Counseling Service of Greater Dallas, found himself in the same situation as many of his clients. In February 2006, his two-year-old son, Josh, needed kidney and bladder surgery at Children's Medical Center in Dallas. Mark was left with a \$19,000 bill, even after the insurer paid 80% of the medical costs. Mark was fortunate to have enough money to pay the bill, but recognizes that many others do not.

Mark's average client in 2008 had a gross income of \$39,000 and unsecured debt of \$28,000. According to Mark, most of that debt was related to divorce, layoffs, medical bills, or a combination of the three. "If you don't have emergency savings, you're one step away from financial crisis, whether your one step is a twisted ankle or a car wreck," Mark said.

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Hurst bankruptcy attorney David Ebert of the Ebert Law Offices PC confirmed that his clients follow the same pattern. “For those without cash or other liquid assets, the alternative is credit cards,” Ebert said. Ebert said that he processed 300 bankruptcies last year, and 60% involved high medical bills.

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