

Medical bills account for 40% of bankruptcies

Scott Gottlieb *New York*

Exorbitant medical bills in the United States play a huge part in personal bankruptcies, accounting for about 40% of the filings last year, according to a new study.

About 500 000 Americans filed for bankruptcy protection in 1999 largely because of heavy medical expenses, according to the study, which is to be published next month in a finance journal, *Norton's Bankruptcy Adviser*.

"Very little attention has been paid to the number of people who are in bankruptcy because of serious medical problems," said the study's lead author, Harvard law professor Elizabeth Warren. "It's a reminder that many of the families in bankruptcy have been pressed to the edge by expenses stemming from illness or injury."

Professor Warren and colleagues found that elderly people and women, as well as families headed by single women, were

the groups in bankruptcy that were hardest hit by medical expenses. The findings illustrate how fragile middle class status is for many American families, Professor Warren said. These families are "just one serious illness away from financial collapse," she said. "What a scary way to think about America."

Professor Warren and her colleagues, Teresa Sullivan, dean of graduate studies at the University of Texas, and lawyer Melissa Jacoby, surveyed people who filed for bankruptcy in 1999 in eight judicial circuits nationwide, accounting for about 18% of all filers.

If the results are projected nationwide, 326 441 bankruptcies last year were related to an illness or injury to the filer or a family member, and 267 575 other filers had substantial medical bills though they also listed other reasons—or gave no reason—for their bankruptcies. In addition to serious illness or injury, experts have also cited job loss or divorce as frequent causes of bankruptcy.

The study comes at a time when legislation making it harder for people to sweep away credit card and other debts through bankruptcy is before

Congress. The pending legislation seeks to apply new standards for determining whether people filing for bankruptcy should be forced to repay their debts under a reorganisation plan approved by the courts instead of having them dissolved.

The new study on medical bills and bankruptcy "will become a factor in the debate" over the legislation, said Frank Torres, legislative counsel for the Consumers Union, a consumer advocacy group. "Now it's up to Congress whether or not they'll pay attention to it."

Credit card issuers contend that current bankruptcy law makes it too easy for debtors to walk away from their obligations, even if they could in fact repay a substantial portion of their debt. Issuers are pressing Congress to tighten the requirements for bankruptcy by making it harder to file for bankruptcy protections, which wipe out most debts.

Warren said that the implications of her findings are that if such families are denied the ability to wipe out debts in bankruptcy, some will lose their homes and "many of these people will face collection for the rest of their lives." □

Canadians grow dissatisfied with their healthcare system

David Spurgeon *Quebec*

The number of Canadians satisfied with their healthcare system more than halved during the 1990s, a new report shows. The proportion who thought that the system needed only minor changes to work properly fell from 56% to 20% between 1987 and 1997.

These and other findings are contained in *Health Care in Canada 2000: A First Annual Report*, published by the Canadian Institute for Health Information, a national, independent body set up in 1994 by Canada's health ministers. The report appears at a time when the future of Canada's health system is being hotly debated, with the provinces demanding immediate restoration by the federal government of funding that had previously been cut. □

Full story in News Extra at bmj.com

WMA to produce guidelines on health databases

Kamran Abbasi *Geneva*

The World Medical Association is to draw up international guidelines on the use of centralised health databases. The decision was taken in Geneva last week at a joint seminar with the World Health Organization on the ethical implications and optimal design of centralised health databases.

Recent advances in genetics and the formation last year of the Icelandic genetic database have sharpened focus on the potential for abuse of all health databases (*BMJ* 1999;318:11), although centralised health databases have been an essential resource for scientific research for many years.

"The public is rightly concerned about whether their right to privacy and confidentiality is threatened by these databases and whether information about

them as individuals could be disclosed and misused," said Dr Anders Milton, chairman of the World Medical Association. "Guidelines must address the issues of informed consent, privacy, confidentiality, individual access, and accountability on the part of the owner of the database."

Delegates expressed concern about the difficulty of distinguishing genetic data from other health data, and one of the key questions that still need to be answered is whether separate guidelines are needed. The role of the private sector also needs to be clarified. A working party of the World Medical Association will present draft guidelines to the World Medical Association's annual general meeting at Edinburgh in October.

Speaking at the seminar, Dr



Dr Kari Stefansson of Iceland's deCODE Genetics, whose company has been allowed to create a huge database of DNA profiles

Daniel Wikler, senior ethicist at the World Health Organization, cautioned that developing countries must receive particular attention because they are targets for research initiatives even though the level of public awareness and education may be low.

"Our consideration of ethical and social issues raised by cen-

tralised databases is a balancing effort," he added. "In the long run, the question of which individuals or companies reaped the greatest short term profit or benefit loses significance if the fruits of research, which might have been impossible to achieve in any other way, enter into the mainstream of medicine and public health." □