

Cancer diagnosis puts people at greater risk for bankruptcy

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People diagnosed with cancer are more than two-and-a-half times more likely to declare bankruptcy than those without cancer, according to a new study from Fred Hutchinson Cancer Research Center. Researchers also found that younger cancer patients had two- to five-fold higher bankruptcy rates compared to older patients, and that overall bankruptcy filings increased as time passed following diagnosis.

The study, led by corresponding author Scott Ramsey, M.D., Ph.D., an internist and [health economist](#) at Fred Hutch, was published online on May 15 as a Web First in the journal *Health Affairs*. The article will also appear in the journal's June edition.

Ramsey and colleagues, including a chief judge for a U.S. Bankruptcy Court, undertook the research because the relationship between receiving a [cancer diagnosis](#) and bankruptcy is less well understood than the much-studied link between high medical expenses and likelihood of bankruptcy filing.

"This study found strong evidence of a link between cancer diagnosis and increased risk of bankruptcy," the authors wrote. "Although the risk of bankruptcy for cancer patients is relatively low in absolute terms, bankruptcy represents an extreme manifestation of what is probably a larger picture of economic hardship for cancer patients. Our study thus raises important questions about the factors underlying the relationship between cancer and financial hardship."

For this study, researchers analyzed data from a population-wide registry of individuals over age 21 who lived in western Washington and who were diagnosed with cancer between Jan. 1, 1995 and Dec. 31, 2009. They were compared to a randomly sampled age-, sex-, and ZIP code-matched population of people without cancer. Cancer cases were identified using the Cancer Surveillance System of Western Washington, a population-based cancer registry based at Fred Hutch that is part of the [National Cancer Institute](#)'s Surveillance Epidemiology and End Results Program (SEER).

The cancer and control cohorts were both linked with the records of the U.S. Bankruptcy Court for the Western District of Washington. The court serves 19 counties in western Washington, including all 13 counties represented in the Cancer Surveillance System of Western Washington. Researchers included Chapter 7 or Chapter 13 [bankruptcy filings](#) only.

"This is the strongest evidence we have between a disease and risk for severe financial distress," Ramsey said. "I've not seen other studies that linked databases of this quality."

Ramsey directs the Hutchinson Institute for Cancer Outcomes Research (HICOR), which is dedicated to health economics and cancer outcomes research. Its mission is to improve the efficiency and effectiveness of cancer prevention, early detection and treatment to reduce the economic and human burdens of cancer. HICOR is believed to be the first of its kind among comprehensive cancer centers nationwide.

Among the study's key findings:

- Between 1995 and 2009 there were 197,840 people in western Washington who were diagnosed with cancer and met the inclusion criteria for the study. Of those, 4,408 (2.2 percent) filed for bankruptcy protection after diagnosis. Of the matched

controls who were not diagnosed with cancer, 2,291 (1.1 percent) filed for bankruptcy.

- Compared to cancer patients who did not file for bankruptcy, those who did were more likely to be younger, female and nonwhite. The youngest age groups had up to 10 times the bankruptcy rate as compared to the older age groups. The authors noted that because cancer is generally a sudden and unexpected event, the risk of bankruptcy is influenced by factors such as debt load before diagnosis, assets, presence and terms of health and disability insurance, number of dependent children, and incomes of others in the household at the time of the cancer diagnosis. "The youngest groups in the study were diagnosed at a time when their debt-to-income ratios are typically highest—often unavoidably, because they are paying off student loans, purchasing a home, or starting a business," the authors wrote. "All working-age people who develop cancer face loss of income and, in many cases, loss of employer-sponsored insurance, both of which can be devastating for households in which the patient is the primary wage earner." In contrast, people age 65 or older generally have Medicare insurance and Social Security benefits. These older people are likely to have more assets and possibly more income than working-age people. "However, it is likely that having stable insurance (specifically, coverage not tied to employment) plays a major role in mitigating the risk of bankruptcy for those over age sixty-five," the authors wrote.
- The proportion of cancer patients who filed for bankruptcy within one year of diagnosis was 0.52 percent, compared to 0.16 percent within one year for the control group. For bankruptcy filings within five years of diagnosis, the proportion of [cancer patients](#) was about 1.7 percent, compared to 0.7 percent for the control group.
- The incidence rates for bankruptcy at one year after diagnosis,

per 1,000 person-years, for the cancers with the highest overall incidence rates were as follows: thyroid, 9.3; lung, 9.1; uterine, 6.8; leukemia/lymphoma, 6.2; colorectal, 5.9; melanoma, 5.7; breast, 5.7; and prostate, 3.7. The incidence rate for all cancers combined was 6.1. The high [bankruptcy](#) incidence rate for those with thyroid cancer may be because thyroid [cancer](#) affects younger women more often than other cancers do according to the researchers. "Compared to men, younger women are more likely to live in single-income households and to have lower wages and lower rates of employment, and therefore less access to high-quality health insurance – leaving them more financially vulnerable," the authors wrote.

Provided by Fred Hutchinson Cancer Research Center

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