

62 percent of Americans believe illness could pose financial hardship

CreditCards.com poll finds Americans are falling into credit card debt to pay for health care

Feb. 1 2008—Nearly two out of three Americans (62 percent) say they or their family could face hard financial times if they experience a serious illness, a new national CreditCards.com poll finds.

The poll, conducted for CreditCards.com by GfK Roper Public Affairs & Media, surveyed 1,004 American adults in a random telephone survey Jan. 18-20, 2008. It is part of a newly released special report, "Health Care and Credit," in which CreditCards.com takes an in-depth look at how Americans increasingly turn to credit and fall into debt to pay for health care.

The CreditCards.com poll found:

- Nearly two-thirds of Americans (62 percent) agree that either they or their family would face a financial hardship if they experienced a serious illness. Women (66 percent) and lower income families earning less than \$30,000 (73 percent) are even more likely to feel this way.
- If hit with medical bills greater than \$1,000, nearly half (49 percent) of Americans say they would tap savings or checking accounts to pay their debts. Those with less income, however, were far less likely to see savings as a choice for health care debt.
- More than a third of respondents (38 percent) would resort to some form of borrowing to pay medical debts, either through an installment payment plan (10 percent), a credit card (9 percent), borrowing from friends or relatives (8 percent), a short-term loan from a bank or credit union (8 percent) or borrowing from 401(k) retirement accounts (3 percent).
- Only 3 percent say their health insurance would fully cover a sudden \$1,000 medical bill.
- Ignorance is widespread on insurance deductibles: 40 percent of Americans say they know the amount; 50 percent admit not knowing and the rest weren't sure or declined to answer.

In addition to the poll, the special report examines how the health care industry is changing as out-of-pocket medical costs rise dramatically for many American families.

- Borrowing to pay for basic health care needs is becoming a way of life for many Americans and mounting medical debt may be threatening to bankrupt more families.
- As out-of-pocket health care costs rise for many families, credit cards, debit cards and gift cards featuring more lenient financing terms are emerging as health care payment options.

- The new generation of specialty health care credit cards have 0 percent interest rates and limited repayment periods that encourage consumers to pay the debts off quickly.
- Consumer advocates say these developments show how dire things have become in the health care system.

"This is an issue that hits home for almost every American family as they try to figure out how to pay medical bills," said CreditCards.com Vice President of Strategic Marketing Jody Farmer. "Many people are putting medical expenses on credit cards, but consumers must weigh their choices carefully and comparison shop for the best options.

CreditCards.com empowers consumers seeking information with facts, advice and choices so that they can make smart credit decisions in these situations."

The CreditCards.com report also provides 15 tips for paying high medical bills - practical advice for consumers who are trying to figure out how best to cope. Among the suggestions: try negotiating with the doctor or hospital to lower the bill, ask about charity care programs at hospitals and work out payment plans with the medical provider.

CreditCards.com editors and writers are available to comment on the poll and the special report. To set up an interview or to get more information, contact Daniel P. Ray, Editor-in-Chief, at 512-996-8663, ext. 131.

About CreditCards.com

CreditCards.com is a leading online credit card marketplace connecting consumers with multiple credit card issuers, including nine of the ten largest in the United States, based on credit card transaction volume. Through its website, <http://www.creditcards.com/>, CreditCards.com enables consumers to search for, compare and apply for more than 150 credit cards and offers credit card issuers an online channel to acquire qualified applicants.

###

Contact:
CreditCards.com, Austin
Ben Woolsey, 512-996-8663, ext. 106
Director of Marketing

NOTE TO EDITORS: The information contained in this release is available for print or broadcast with attribution to CreditCards.com.