

Chapter 2: What If?

Now we come to the next question I initially asked in the last chapter. What if my wife or I lost our job because we were severely sick or injured? For most of us, day by day, we go to work and earn an income. With that income, we pay bills, get groceries, and have some to spend on fun stuff, all while hopefully having a little leftover to put in savings. At the start of each month, we pretty much do the whole process over again.

What if one day you, unfortunately, have a severe adverse health event occur in your life. What if you were involved in a car accident or have not been feeling well and get a diagnosis that suddenly leaves you unable to work and unsure of your future? Say you are single, and your only source of income is your own. What if you are married and earn most of the income for your family. How would this adverse event change your money cycle? Along with your bills, groceries, and play money, were you putting any of your income away to cover costs if this cycle were to be interrupted? Is your answer, no?

How exactly are you planning on paying for your mortgage, your rent, your car insurance, or basic groceries, not to mention the medical costs you might incur, all while you are trying to recover?

These questions are the type of stuff you do not want to think about, but it is so important to be prepared for if it should ever happen to you. Even as I write this book, I can think of two situations where people that my wife and I know who have recently had unexpected adverse health events occur in their lives. Fortunately, both people ended up okay, but it could have been worse both physically and financially. The first person is my cousin. He is in his early twenties and has been out of his parents' house for several years. He is single and works at a good manual labor job but has no health insurance. While on the job, he had an accident and hit his head hard enough that he needed to go to the hospital. The company he works for graciously paid for the ER visit. He ended up being fine but did not have any financial security or extra money to pay for the ER visit, which could have put him into a brief financial debt. What if things would have been worse and he had a hospital stay, not to mention possible ongoing rehabilitation? He would have been in serious financial debt. I am sure the last thing he would want to do is move back in with his parents. The second person is my mother's neighbor. Two years ago, she was diagnosed with terminal cancer and was given only a short time to live. She and her husband have kids and are hard workers, but they do not have much extra money. With this diagnosis, she was

devastated and would now have to quickly plan out the end of her life and try to figure out how to not leave her family with a mountain of medical debt. Amazingly, because of her type of cancer, she was chosen to participate in an experimental treatment using a new medication. This medication would have cost her \$30,000 a month. But because it is an experimental treatment, the cost of the medication was covered, and she has had a significant reduction of tumors in her body. She is no longer terminal, and the outlook for her to recover is very positive.

This story is truly amazing! First, how often do you hear of someone getting a terminal diagnosis? And second, she was chosen for an experimental treatment that worked so well that it essentially reversed her diagnosis and cured her. On top of all that, the treatment is paid for. Against those odds, she pretty much won the lottery. Unfortunately, the majority of cancer diagnoses rarely end with this outcome. "Cancer treatment can reach an estimated \$10,000 per month or more. Because of the extreme expenses, employment changes, and severity of cancer treatment, cancer care can negatively impact the patient, the patient's family, and caregivers."

https://www.fredhutch.org/en/news/spotlight/2020/12/phs_jones_futureoncology.html

"We found that, as treatment-related financial distress increased, quality of life decreased. Interestingly, that same inverse relationship was seen among patients in treatment and those who had been off treatment for a year or more. What that

suggests to me is that even off treatment, patients are still struggling with the financial burden of their care. They're paying it off for years afterward and it still impacts them, even if they're not sitting in that infusion chair.”

<https://www.healio.com/news/hematology-oncology/20200617/financial-toxicity-a-lingering-often-unexpected-burden-for-cancer-survivors>

Both situations could have been far worse and financially devastating. Fortunately, both people are recovering, but you cannot hope for the best or trust that there will be some great experimental treatment that will save your life. You need to have a plan in place.

Depending on how well you planned for emergencies, the progression from income to debt is usually relatively quick after a severe health event. Let us say you have a heart attack, stroke, or injury that does not kill you, but it is not something you will be recovering from any time soon. When one of these severe illness or health events occur in your life, it is usually quick and often does not come with any warning. Because of how quickly things can happen, you most likely will have to take a significant amount of time off work or, even worse, lose your job entirely.

Let us take the lesser of the two evils and say you can keep your job, but you are put on leave. It is great that your job allows you to have time off, but in the background, a clock has started ticking on just how much time you can take off before losing your job. With your job, you, fortunately, have health

insurance. Still, it may only cover a portion of your total estimated cost for your hospital stay, treatment, rehabilitation, doctor visits, health equipment you might need, and medications. How do you pay the remaining cost of health care along with your usual monthly bills? What if you have secondary expenses like needing to do some modifications to your house. For example, how would you pay to install a ramp or renovations to modify your bathroom to make it easier to use the restroom or shower? What if you have unforeseen expenses like needing to do experimental treatments not covered by insurance or your car breaks down so you cannot get to your appointments or therapy. The stress of trying to recover and make it back to work before losing your job is bad enough. Now, on top of that, you have additional financial stress of having to find a way to pay your monthly expenses, your remaining health costs, secondary expenses, and unforeseen expenses. You might be able to use vacation pay and accumulated sick leave from your job, but how far is that going to get you? If worse comes to worst, you may have to start using your savings, or if things get bad enough, you will have to sell assets or even declare bankruptcy.

“A new study from academic researchers found that 66.5 percent of all bankruptcies were tied to medical issues—either because of high costs for care or time out of work. An estimated 530,000 families turn to bankruptcy each year because of medical issues and bills.”

<https://www.cnbc.com/2019/02/11/this-is-the-real-reason-most-americans-file-for->

[bankruptcy.html?fbclid=IwAR1rh5HkclOz57_Qc-fmLf8SNbCPatdhH8KYRHGckvtBRN-hTnAQmdg1p4g-https://ajph.aphapublications.org/doi/10.2105/AJPH.2018.304901?eType=EmailBlastContent&mp%3Beld=a5697b7e-8ffc-4373-b9d2-3eb745d9debb&mp%3B=&fbclid=IwAR2751T0x8tmzHgflsR5z7-UVtZ1Jr9bv4zud8NQ7c_e8Gqdv3O6eVDmRKI&\)](https://ajph.aphapublications.org/doi/10.2105/AJPH.2018.304901?eType=EmailBlastContent&mp%3Beld=a5697b7e-8ffc-4373-b9d2-3eb745d9debb&mp%3B=&fbclid=IwAR2751T0x8tmzHgflsR5z7-UVtZ1Jr9bv4zud8NQ7c_e8Gqdv3O6eVDmRKI&)

As your income goes down and your expenses go up, you can quickly be consumed by debt if you are not prepared. Alternatively, your debt increases exponentially if you lose your job or just do not have health insurance. What if you worked all your life and had a severe health or illness occur, say five or even ten years before retiring? Your life savings could be depleted, and you would practically have to start over. What if you were in your twenties or thirties, just starting to build a life for yourself and maybe even starting a family? You may not have very much money saved up or even have a secure job. You would just be starting your life, but now you would have to deal with financial ruin as well as physical and emotional ruin. Would you have to move back in with mom and dad? Would you have to rely on federal or state assistance? This type of assistance is hard to qualify for, a lengthy application process, and is not guaranteed.

I recall a story on the local news I just saw last night. The story was about a young man around twenty years old that was paralyzed while swimming in the ocean. He spent several weeks in the local hospital. Now, thankfully he has been

admitted into Craig Hospital, a Head and Spinal Cord Injury Rehabilitation Center in Colorado. Although he has been making huge improvements in his recovery in just a few weeks, he has now been told that his state health insurance will no longer continue to cover his rehabilitation at the center. His state health insurance just recently notified him that they made an error. They continued to say that he should not have initially been receiving the insurance and that they will not continue to pay for treatment. What is he supposed to do now? What would you do? Could you be paralyzed, living in a different state, and financially survive this severe adverse health event in your life? If he doesn't have the money, will his financial burden fall on his parents to help him? Would you want this for your parents?

Ever thought of turning to a crowdfunding site for help? A popular fundraising website, [GoFundMe](https://www.gofundme.com), defines crowdfunding as “the power of social networks and the internet to give people the means to raise funds, help others overcome hardship, and meet aspirational goals.”

<https://www.gofundme.com/c/crowdfunding>

[GoFundMe](https://www.gofundme.com), [FundRazr](https://www.fundrazr.com), [FUNDLY](https://www.fundly.com), etc., are just a few of the more popular fundraising sites. Essentially, with sites like these, you can set up an account that will allow people to donate money to your cause or donate to a hardship you are currently facing. These sites provide a valuable service to those in need of raising money to help cover their medical or general costs. Crowdfunding sites do have the potential to raise some extra

money, but they also can be highly unreliable. In addition, unless you have a network of wealthy friends, the competition to be funded is growing every year. According to [Yahoo Finance](#), “In 2010, there were just 42 health care-related campaigns on GoFundMe, seeking a collective total of \$717,125. But in 2018, that number shot up to 119,373 fundraisers seeking more than \$4.6 billion. According to the study, cancer was the most common medical condition that funding was sought for. Trauma/injury was the second-most common medical condition for which funding was sought.”

[https://finance.yahoo.com/news/americans-crowdfunding-medical-expenses-bernie-sanders-154557626.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xILmNvbS8&guce_referrer_sig=AQAAAJXUnm t5GJHOGAFPkToz4PsmUHQWWyxjd1frS8B5P8_egWD1VfO FH1onHKS19Y2nnApH4_LyNLqXhurz_EboGrl6z35EjIXf_H- j0MiQuChB19hB7nj4mFBbWBzL5DGb5l_io-r8o2OAhJwys2V5Yul7QX8YIkz8Brhy2AuyykT0#:~:text=Billions%20of%20dollars%20sought,seeking%20more%20than%20%244.6%20billion\)](https://finance.yahoo.com/news/americans-crowdfunding-medical-expenses-bernie-sanders-154557626.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xILmNvbS8&guce_referrer_sig=AQAAAJXUnm t5GJHOGAFPkToz4PsmUHQWWyxjd1frS8B5P8_egWD1VfO FH1onHKS19Y2nnApH4_LyNLqXhurz_EboGrl6z35EjIXf_H- j0MiQuChB19hB7nj4mFBbWBzL5DGb5l_io-r8o2OAhJwys2V5Yul7QX8YIkz8Brhy2AuyykT0#:~:text=Billions%20of%20dollars%20sought,seeking%20more%20than%20%244.6%20billion)

The [Simpson Center for the Humanities at the University of Washington](#) suggests, if you are going to raise money for your medical bills on a website like GoFundMe or GiveForward, it is best to have the right kind of disease. Be sure to have a curable condition—terminal cases are unappealing to potential funders. Make your needs specific and achievable, like an MRI test or a prosthetic device. It helps to be a child or a photogenic person.

Geriatric care is nearly impossible to fund. Be sure to have a wealthy and influential network of friends and family. Otherwise, you may end up with the vast majority of campaigns that fail to reach their goal.

If these guidelines seem heartless, they are the unwritten rules for the new landscape of health care crowdfunding, a multi-billion-dollar industry. Sites like YouCaring, GiveForward, and Fundly have hosted millions of campaigns for Americans seeking to pay for medical costs. Researchers from the University of Washington studied a randomized sample of 200 GoFundMe medical campaigns from 2016, finding that 90 percent of them did not reach their financial target, raising just 40% of their goal on average. More than 10 percent of the campaigns raised less than \$100.

<https://medium.com/@simpsoncenter/the-moral-failure-of-crowdfunding-health-care-286c8e1b7b8e>

This reality scares my wife and me. We work too hard and have worked hard for a long time building our life. We do not want something to take it away quickly. We do not want to rely on others to help us pay for our expenses. We did not want to feel scared anymore. We did not just want to hope that things would turn out good in the event of something bad. We wanted to be prepared for the unexpected. If something were to happen, we want to focus primarily on recovery and not have added financial stress. This priority helped us be proactive in planning for the

what-if. We changed our thinking about how we use money and designed a budget to save money and know exactly where and how much money we have going out each month. We created an emergency fund to get us through a brief hard time. My friend [Casey](#) and the money class we attended introduced us to what should be everyone's first, best financial asset. This asset is life insurance with living benefits.