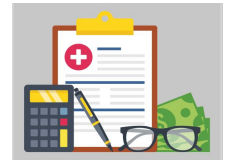


The Impacts of Underinsurance on American Adults Access to Healthcare

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PICO Question

How does the socioeconomic impact of underinsurance affect access to healthcare among American Adults?

What is Underinsurance?

Underinsurance is defined as out-of-pocket costs that are equal to 10% or more of households annual income, or more than 5% of annual income in low income households (Collins et al., 2015). In 2018, of the 194 million adults between the ages of 19 and 64, it is estimated that 45% or 87 million adults were underinsured (Collins, Bhupal, et al., 2019)

Impacts of the Affordable Care Act

- The Affordable Care Act (ACA), passed in 2010, increased health insurance access by extending protection to individuals with preexisting conditions. The ACA also expanded criteria for Medicaid coverage in participating states
- Between 2010 and 2018, the number of uninsured Americans dropped from 20% to 12.4%, a reduction of 7.6% which is attributed to the success of the ACA
- Between 2014 and 2018, the number of underinsured individuals increased from 23% to 29%, an increase of 6%
- More than half of Americans under 65-- approximately 158 millions adults-- now receive health insurance coverage through their employer
- Of those who utilized employer-sponsored health care, 28% were underinsured in 2018, compared to 20% in 2014, an overall 8% increase (Inserro, 2019)

Rising Cost of Deductibles and Premiums

- Between 2008 and 2018, Health care premiums for employees increased at an average annual rate of 4% annually
- In 2018, employees share of their health care premium amounted to 6.8%, up from 5.1% in 2008. However, in some states, this was a large as 8-10%
- In 2018, the average deductible was 4.7% of annual income, significantly higher than the 2.7% seen in 2008. Some states paid as much as 6.7% of annual income for deductibles in 2018 (Collins, Radley, et al., 2019)
- In 2020, 46% of adults with private insurance had a deductible greater than \$1,000 (Collins et al., 2020)

What Causes Underinsurance?

- Unaffordable Premiums
- Premiums rising at a rate that exceeds wages
- High Deductibles and/or copayments
- Lifetime or annual limits to coverage
- Lack of coverage or fewer offered services in the health plans contract
- Lack of approval for provided or prescribed services
- Retroactive rescissions of coverage (Lavarreda et al. 2011).

Costs of Underinsurance

- A survey reported that 61% of Americans could not afford an unexpected expense of \$1,000 (Konish, 2021)
- Of the percentage of adults ages 19 to 64 who had issues with medical debt in the past year:
 - 34% of underinsured individuals had problems or were unable to pay a medical bill, as compared to just 14% of adequately insured individuals
 - 19% of underinsured individuals reported being contacted by collections agencies for unpaid medical bills, compared to only 8% of adequately insured adults
 - 18% of underinsured individuals reported having to change the way they lived to pay bills, compared to only 6% of adequately insured adults (Collins et al., 2020)
- 7% of underinsured adults reported having to file bankruptcy due to medical debt, compared to only 4% of adequately insured adults (Collins et al., 2015)

Health Implications of Underinsurance

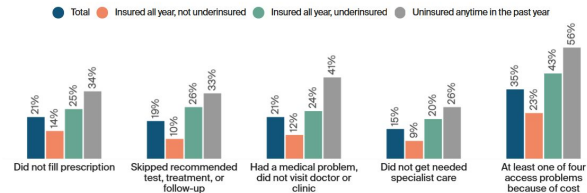
- 25% of underinsured adults reported not filling a prescription due to cost
- 26% of underinsured adults reported skipping a test, treatments, or follow up visit due to cost
- 24% of underinsured adults reported neglecting to visit a doctor or clinic when a medical problem occurred due to cost
- 20% of underinsured adults reported not getting needed specialist care due to cost (Collins, Gunja, & Aboulafia, 2020)

Conclusions

- Since the ACA passed, we have seen a significant decline in the number of uninsured American adults. There has also been a stark increase in the number of underinsured Americans.
- Today, more than 87 million American adults are underinsured
- Insurance contracts have the ability to slash provided and prescribed services
- The rising cost of health insurance premiums and deductibles has greatly outpaced the rate at which wages have increased in the last decade
- In an economic climate where most Americans cannot afford an expense of \$1,000, an unexpected medical bill can have a significant impact on an individual's financial situation
- Many American adults cannot access certain healthcare services due to exorbitant costs
- America offers some of the highest quality healthcare services in the world; however, millions of American citizens cannot access them due to cost.

Uninsured or Underinsured Adults Often Avoid or Delay Getting Needed Health Care and Medications

Percent of adults ages 19-64 who had any of four access problems in the past year because of cost



Data: Commonwealth Fund Biennial Health Insurance Survey (2020).
Source: Sara R. Collins, Munira Z. Gunja, and Gabriella N. Aboulafia, U.S. Health Insurance Coverage in 2020: A Looming Crisis in Affordability – Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2020 (Commonwealth Fund, Aug. 2020). <https://doi.org/10.26909/rb3j-n655>

Figure 1. Comparison of avoidance or delay in accessing health care services for insured, underinsured and uninsured American Adults

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