

Vermont-NEA

Healthcare Costs & Their Consequences on Americans

Gallup's annual "Health and Healthcare Poll" in 2015 found that **31%** of Americans or a family member delayed medical care because of cost, and the care they put off was more likely for a serious condition. This phenomenon is not new. *"Since 2001, at least 19% of Americans -- and much closer to a third beginning in 2006 -- have found the cost of some healthcare services so prohibitive that they or a family member has had to postpone a medical procedure."*¹

The **Federal Reserve**, in its "Report on the Economic Well-Being of U.S. Households" (2016), noted that:

- *Just under one-fourth of adults are not able to pay all of their current month's bills in full.*
- *Forty-four percent of adults say they either could not cover an emergency expense costing \$400, or would cover it by selling something or borrowing money,....*
- *Twenty-three percent of adults had to pay a major unexpected out-of-pocket medical expense in the prior year, and one-fourth report forgoing one or more type of health care in the prior year due to affordability.*
- *Approximately 24 million people, representing 10 percent of adults, are carrying debt from medical expenses that they had to pay out of pocket in the previous year.*²

The **Kaiser Family Foundation and the New York Times**, in a joint 2016 survey, revealed that even people with health insurance faced a "wide range of consequences and sacrifices during the past year" because of medical charges, including:

*"...delaying vacations or major household purchases (77%), spending less on food, clothing and basic household items (75%), using up most or all their savings (63%), taking an extra job or working more hours (42%), increasing their credit card debt (38%), borrowing money from family or friends (37%), changing their living situation (14%), and seeking the aid of a charity (11%). These shares generally are as large as or larger than the shares among uninsured people with problem medical bills."*³

Consumers Union identified these measures families resort to when they can't afford medical care:

- *"Cutting back on care. They split pills or do not fill a prescription. They put off calling the doctor. The result can mean suffering pain, larger bills down the road or permanent disability.*
- *"Cutting back on other critical purchases like rent, groceries or other necessities in order to afford medicines or care.*
- *"Couples divorcing in order to qualify for Medicaid or putting off plans to have a baby.*
- *"Filing for bankruptcy. Medical debt is the single largest cause of consumer bankruptcy--outpacing bankruptcies due to credit-card bills or unpaid mortgages."*⁴

¹ http://www.gallup.com/poll/187190/cost-delays-healthcare-one-three.aspx?q_source=position4&q_medium=related&q_campaign=tiles

² <https://www.federalreserve.gov/publications/files/2016-report-economic-well-being-us-households-201705.pdf>

³ <https://www.kff.org/health-costs/press-release/new-kaisernew-york-times-survey-finds-one-in-five-working-age-americans-with-health-insurance-report-problems-paying-medical-bills/>

⁴ <http://www.healthcarevaluehub.org/advocate-resources/publications/rethinking-consumerism-healthcare-benefit-design/>