

Survey: One in four US adults burdened by medical debt

Kate Randall
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A new survey shows that 26 percent of US adults ages 18-64 say they or someone in their household had problems paying their medical bills in the past 12 months. The Kaiser Family Foundation/New York Times Medical Bills Survey shows that those from all walks of life are saddled with medical debt, with the uninsured and low-income households carrying the heaviest burden.

The survey is based on interviews with a sample of 2,575 respondents conducted August 28 through September 28, 2015. Its findings are an indictment of the for-profit health care system in America, which strains many family budgets to the breaking point, forcing significant numbers of people to go without other basic household necessities to pay medical bills or to forgo medical care when they cannot pay.

Being uninsured has a strong correlation with medical bill difficulties, with 53 percent of the uninsured reporting problems paying household medical bills in the past year. However, as the survey's findings point out, "insurance is not a panacea against these problems." About one in five of those with insurance—either through an employer, Medicaid or purchased on their own—also report problems paying medical bills.

Among those with private insurance, the prevalence of high-deductible health coverage significantly impacts the financial burden on households, with 26 percent of those with high-deductible coverage reporting difficulties paying their medical bills. Although the survey does not indicate which of those interviewed purchased their coverage through the Affordable Care Act (ACA), it is clear that the high deductible plans dominating the ACA marketplace are becoming increasingly common among plans sold by private insurance companies.

Not surprisingly, households with lower or moderate incomes are more likely to report problems paying their medical bills. Nearly four in 10 (37 percent) of those with household incomes below \$50,000 report these problems, compared with 26 percent of those with incomes between \$50,000 and \$100,000, and 14 percent of those with household incomes greater than \$100,000.

Women are slightly more likely than men to experience problems paying medical bills (29 percent versus 23 percent), as are adults under age 30 compared with those ages 30-64 (31 percent versus 24 percent). Residents in the South reported the highest share of medical bill problems (32 percent), while those in the Northeast reported the lowest (18 percent). At 24 percent, whites reported slightly less difficulty pay their bills than blacks (31 percent) and Hispanics (32 percent).

People with the greatest medical needs are also more likely to face problems paying their medical bills. Of those who say they have a disability that prevents them from participating fully in daily activities, 47 percent report medical bill problems. Among those who rate their own health as fair or poor, 45 percent report these problems, while 34 percent of those who say they receive regular treatment for a chronic condition report problems.

The medical bills burdening households are for a wide variety of medical services, both one-time events and chronic conditions. Of those surveyed, bills incurred included those for doctor visits (65 percent), diagnostic tests (65 percent), lab fees (64 percent) and emergency room visits (61 percent). About half say they had problems paying for prescription drugs, hospitalizations or dental care.

Those surveyed were asked to briefly describe the

illness or injury that led to their medical bills. Respondents describe the nightmare scenario in which they face the double impact of serious medical conditions and the inability to pay the bills incurred to treat them. Following are some of their accounts:

“A heart attack (MI) requiring 4 stents being placed. Also an appendectomy. Ongoing: diabetes and heart disease that require monthly visits and prescriptions. My son also has epilepsy which has impacted our medical expenses.”

“In 2002 I had a pancreatic attack, a tumor in my pancreas removed and my spleen removed, and I broke 2 arms at the same time, partial hysterectomy. And hepatitis.”

“Cancer. Current treatment not FDA approved for certain cancers, so even though the treatment is working, it is no longer covered by insurance and costs approximately \$11,000 per month.”

“I had a tooth that went bad and had to have it pulled. I now need another tooth in its place. The dentist wants all the money for the procedure up front. I do not have thousands of dollars to give.”

“I have been diagnosed with osteoarthritis throughout my body, as well as degenerative disc disease. I have had to have at least 6 MRI's in past 5 years, 3 back injections, 5 foot surgeries, 2 knee surgeries, wrist surgery, torn tendon repair, several joint replacement surgeries, etc.”

“I was pregnant and miscarried when I was 10.5 weeks a long. Prior to losing the baby, I had an ultrasound which cost \$636 and I don't have insurance. I was eligible for pregnancy-related Medicaid, but it wasn't billed right and a year and a half later I got the bill. I am still trying to get it straightened out.”

“Insurance not paying for wellness care of any kind, blood work, labs, physical and only 80% of a mammogram.”

(Kaiser Family Foundations/New York Times Medical Bills Survey)

When asked to describe their financial situation, 43 percent of those who have experienced problems paying medical bills say they just scrape by covering their basic household expenses, while 18 percent say they don't have the financial resources to cover them. The survey also shows that compared to those without medical debt, those with medical bill problems are less

likely to have a credit card or a retirement savings account.

Of those with difficulties paying bills, the total amount owed ranged from 10 percent owing \$500 or less, to 24 percent owing \$2,500 to less than \$5,000, to 13 percent owing in excess of \$10,000. For an individual or family living paycheck to paycheck, or facing unemployment, even a \$500 unpaid medical bill—accompanied by calls from health providers' offices or their bill collectors—can become an overwhelming burden.

In a further cruel twist, those facing medical bill problems also often face the complicating factor of income loss due to an illness. Three in 10 respondents say someone in their household had to take a cut in pay or hours as a result of the illness that led to the medical bills, either due to the illness itself or in order to care for the person who was sick.

The ACA is contributing to and compounding these devastating financial conditions for millions of Americans. The program, popularly known as Obamacare, forces uninsured individuals to purchase coverage from for-profit insurers under threat of penalty, offering only modest subsidies to those who qualify. The most affordable of these plans come with deductibles in excess of \$5,000 and other high out-of-pocket costs and there are no meaningful restraints on the premiums insurance companies can charge.

These Obamacare plans are serving as a model for employer-sponsored coverage, where high-deductible plans are becoming more and more the norm. Architects of the ACA further predict that employer-sponsored coverage will largely be done away with by 2025.

The solution to the financial crisis ordinary Americans face paying their medical bills—along with the other scourges of the US for-profit medical system—lies in putting an end to the privately owned insurance companies, pharmaceuticals and giant health care chains and establishing socialized medicine.



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