

Rising US health insurance costs take toll on workers

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A new poll conducted by the Kaiser Family Foundation (KFF) and the *Los Angeles Times* found that an extraordinary rise in the cost of health care plans and deductibles over the last decade has imperiled the financial security of American workers.

According to the *Times* article published earlier this month, health insurance deductibles have soared in recent years, increasingly leaving Americans with unaffordable bills.

Since 2007, annual deductibles in job-based health plans—the most common form of coverage—have increased fourfold, with the average deductibles for health plans rising to an estimated \$1,300. The results have spurred on what the *Times* calls “an affordability crisis” that has sent many households of the middle and working class to, or on the brink of, financial ruin.

The ever-rising cost of health insurance has placed an increasing number of workers in increasingly more precarious conditions.

More than 4 in 10 workers enrolled in plans with high deductibles don’t possess enough savings to pay for them. In a country where more than 70 percent of the population live paycheck to paycheck and where more than half have witnessed stagnant or declining wages, one health emergency requiring an out-of-pocket payment could send an individual or family into destitution.

According to government data analyzed by the KFF for the *Times*, only half of single households and 60 percent of family households had more than \$2,000 in savings in 2016.

Among the conclusions drawn are that one in six Americans who received insurance through their jobs reported that they had to make “difficult sacrifices to pay for their healthcare plans” in 2018. These sacrifices included cutting back on food and other desperate actions such as moving in with friends and family or taking on extra jobs.

The study notes that the rise in cost sharing is “endangering patients’ health” and has caused millions, including people with serious illnesses, to skip care entirely to avoid the expenses. Additionally, a larger number of workers are turning to GoFundMe pages or other charities to seek financial relief.

The article admits that the health care system is fueling “resentments” and “deepening inequalities, as healthier and wealthier Americans are able to save for unexpected medical bills while the less fortunate struggle to balance costly care with other necessities.”

A 45-year-old Information Technology worker told the *Los Angeles Times* that his family has been severely handicapped by \$5,000 in outstanding medical bills. Despite having a household income of more than \$80,000, he said his family has very little left over to cover a \$4,000 annual deductible.

“We shop at discount grocery stores. My wife is couponing. We are putting every single bill we can on the credit card.” After noting that even a family meal at McDonald’s has become a luxury, he said, “we’re drowning.”

Another worker, a 55-year-old nurse’s assistant working in a nursing home in Ohio, said she’s had to cut back on taking trips to the grocery store as she struggled to pay off \$1,000 in medical bills after breaking her wrist. Other workers spoke of having to move back in with their parents or take on extra jobs.

A separate poll found that more than a quarter of workers had to put off vacation time or buying major purchases to pay their medical bills. An additional quarter said they reduced spending on clothing or other more-basic purchases.

A study published by the American Cancer Society found that more than 56 percent of American workers in the last year either struggled to pay their medical bills, delayed appointments and doctors’ visits, or experienced

turmoil over how they could afford care. Individuals and families with medical conditions such as heart disease, cancer and diabetes have suffered the most.

The staggering explosion in the cost of deductibles followed the passage of Obama's Affordable Care Act (ACA) in 2010. Prior to the ACA, in 2006, nearly half of Americans had no deductible, while the average cost of a deductible plan when adjusted for inflation was only \$376. By 2018, the average cost of a deductible had ballooned to an estimated \$1,350 while insurance premiums increased beyond the rate of inflation.

These price increases provide a dramatic exposure of the ACA, which was essentially authored by the insurance companies and hospital giants to lower health care expenses for corporations and the government, shifting the cost of rising premiums and deductibles onto the backs of workers while at the same time enriching insurance companies.

UnitedHealth, for example, accumulated \$12 billion in profits over two years under the ACA, largely to the benefit of its wealthy executives and investors.

While the stock market soars, US life expectancy has declined over the past three years, largely due to the opioid epidemic and the lack of affordable health care and other services.

In March, the White House proposed a 12 percent reduction in funds for the Department of Health and Human Services for the 2020 fiscal year, while slashing Medicaid over the next 10 years and allowing states to lower benefits for poor and lower-income workers.

The proposed cuts to Medicaid and Medicare, which amount to around \$1.4 trillion in total over the next decade, will only exacerbate the cost of health care and worsen workers' conditions.

Moreover, slashing social programs aimed at treating medical and preventive care—including wellness visits, immunizations, and screenings—will increase the number of people forced to undergo emergency operations or serious hospital treatments, where costs are much more expensive.



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