

Financial Stress Related to Health Care Costs

The 2003 Health Confidence Survey (HCS) represents the sixth wave of an annual survey to assess the attitudes of the American public regarding the health care system in the United States. The 2003 HCS finds that Americans are increasingly concerned about health care costs. Costs are identified as the biggest issue facing health care in America, and health care consumers are increasingly dissatisfied with the costs of their health care and health insurance. Fully one-half of Americans feel stress due to medical bills, and health care costs cause many to delay or avoid health care. Americans also are paying more for their health insurance coverage, and the cost of health insurance makes it difficult for the uninsured to get coverage.

Costs Named as Single Biggest Issue Facing Health Care

When asked to identify the single biggest issue facing the health care system in America today, the majority of Americans name health care costs.

- 23 percent cite health care costs in general.
- 17 percent mention the cost of health insurance.
- 8 percent mention the cost of prescription drugs.
- 10 percent cite issues that relate to the uninsured, such as accessibility for the poor, Medicaid for lower income people, and universal health care.

Americans Increasingly Dissatisfied With Health Care Costs Today...

Although American health care consumers' satisfaction with some aspects of their care, such as their ability to choose their doctor and the quality of the medical care they receive, has shown little change over the six years tracked by the HCS, they are increasingly likely to report being dissatisfied with health care costs.

- More than 4 in 10 say they are *not too* or *not at all* satisfied with the cost of their health insurance in 2003 (44 percent), compared with one-third in 1998 and 2001 (32 percent and 33 percent, respectively).
- Almost half report being *not too* or *not at all* satisfied with the costs of health care not covered by their insurance (48 percent), compared with 37 percent each in 1998 and 2001.

...And Worried About Health Care Costs in the Future

Americans are more likely now than they were last year to say they are not confident in their ability to afford health care without financial hardship.

- Thirty-seven percent of Americans are *not too* or *not at all* confident in their ability to afford health care today, up from 31 percent in 2002.
- More than 4 in 10 (41 percent) are *not too* or *not at all* confident of being able to afford health care in the next 10 years or until eligible for Medicare, up from 35 percent in 2002.
- About one-half (49 percent) are *not too* or *not at all* confident in their ability to afford health care without financial hardship once they are eligible for Medicare, up from 44 percent in 2002.

Medical Bills Are Source of Financial Stress for Many Americans

One-half of Americans say they have found medical bills to be a source of financial stress within the past two years. Those without health insurance coverage or who have had a gap in coverage in the past year are more likely to have found medical bills to be a source of major stress, and those with continuous health insurance coverage are more likely to say they have found these bills to be a source of minor stress (Figure 1). (Nine percent of Americans who are currently insured were without coverage sometime within the past year.)

Figure 1
Medical Bills as Source of Financial Stress, by Insurance Status

	Continuous Coverage	Uninsured, Part- or Full-Year
Major Source	13%	34%
Minor Source	35	24

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2003 Health Confidence Survey.

Interestingly, as age increases Americans are more likely to say that medical bills are not a source of financial stress: 45 percent of those under age 45, 53 percent of those ages 45–64, and 59 percent of those age 65 and over say that medicals bills have not been a source of financial stress in the past two years.

Americans who have experienced financial stress due to medical bills report serious consequences of that financial stress.

- 69 percent have spent less than usual on other items.
- 49 percent have had difficulty paying other bills.
- 36 percent have used up all or most of their savings.
- 22 percent have borrowed money or gotten a loan or another mortgage on their home.
- 21 percent have been unable to pay for basic necessities like food, heat, or housing.
- 6 percent have declared bankruptcy.

Costs Cause Americans to Avoid Health Care

The high costs of health care are causing a significant number of Americans to delay or decide not to get health care that they think they need.

- Three in 10 Americans say that in the past two years they have delayed or decided not to get health care when they thought they needed it (29 percent).
- Americans who are currently insured but who have had a gap in coverage during the past year are the most likely to have delayed or decided not to get care (52 percent, compared with 26 percent of those with continuous coverage and 33 percent of the full-year uninsured) (Figure 2).
- Cost was the major reason why Americans delayed or did not get health care. Almost two-thirds of the insured (63 percent), more than 8 in 10 of the uninsured (82 percent), and nearly 9 in 10 of those with a gap in coverage (87 percent) who delayed or decided not to get care say it was because they could not afford it, were not insured, or the condition or treatment was not covered.

Figure 2
Delaying or Avoiding Health Care When Needed, by Insurance Status

	Continuous Coverage	Uninsured, Part-Year	Uninsured, Full-Year
Delayed Care	18%	27%	21%
Decided Not to Get Care	5	10	9
Both Delayed and Decided Not to Get Care	3	16	3

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2003 Health Confidence Survey.

Paying More for Health Insurance Coverage

- Thirteen percent of Americans with private health insurance coverage pay nothing toward their health insurance each month, down from 22 percent in 1998.
- Forty-one percent pay \$100 or more each month toward their coverage, up from 34 percent in 1998.
- Two in 10 do not know what they pay for coverage each month (20 percent), an increase from 12 percent in 1998.

Costs Cause Americans Without Health Insurance to Remain Uninsured

Many Americans who are uninsured or who have experienced a gap in health insurance coverage shop for health insurance on their own or are offered plans by employers. Affordability is the main reason they do not take coverage that is offered to them.

- Forty-four percent of uninsured Americans and those with a break in coverage in the past year have shopped for health insurance on their own.
 - ◇ Eighty-one percent of them did not buy the plan because it cost too much.
- One-fourth (24 percent) of Americans without insurance or with gaps in insurance say they were offered health insurance coverage by an employer that they decided not to take.
 - ◇ Ninety-one percent of them did not take the coverage because it cost too much.

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998–2003 Health Confidence Surveys.