

# Low-income families with sick children often enrolled in high-deductible health care plans

March 30 2009

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High-deductible health plans are increasingly used by healthy people who are unlikely to incur high medical expenses. But they also end up enrolling many low-income, vulnerable families, finds a study of Massachusetts families from Children's Hospital Boston and Harvard Medical School's Department of Ambulatory Care and Prevention (DACP). The study appears in the April issue of the journal *Pediatrics*.

The researchers, led by Alison Galbraith, MD, MPH, and Tracy Lieu, MD, MPH, both of Children's and the DACP, used enrollment and claims data from Harvard Pilgrim [Health](#) Care, a large New England health plan. They identified 839 families with children who initially had traditional health maintenance organization plans through Harvard Pilgrim, but whose employers later switched them to a high-deductible health plan when Harvard Pilgrim began offering it. They compared this group with 5,133 families whose employers stayed with the traditional plan, to see what kinds of families were most likely to be switched to high-deductible plans.

Overall, about a third of those who were switched to high-deductible plans had a child with a chronic condition, 13 percent lived in neighborhoods with high poverty, 36 percent had an above-average burden of illness, 19 percent incurred large health-care costs at baseline (more than \$7,000 a year, including out-of-pocket costs).

"The usual assumption is that high-deductible plans attract healthy and wealthy people, based on studies of people who chose those plans

themselves," says Galbraith. "Our population only had one plan offered to them - and we found that many of those who were switched to high-deductible plans had children with chronic conditions. There wasn't a difference in the amount of chronic illness between the high-deductible and traditional families, but it was striking that there wasn't less illness in the high-deductible group. We need to be aware of this as these plans become more popular."

When the same data were analyzed by size of employer, an interesting split emerged:

- Among the families with large employers, those living in high-poverty neighborhoods were 1.78 times more likely than families in higher-income areas to be switched to a high-deductible plan, after adjustment for other factors (including level of education, known chronic conditions, overall health burden and health costs incurred).
- Families with small employers were *\*less\** likely to be switched to high-deductible plans if they had more children, an above-average burden of illness and higher health-care expenditures at baseline. Those who *\*were\** switched tended to be healthier and have fewer children.

"Our data show that families with children in high-deductible plans may comprise two distinct groups, one with higher-risk characteristics and one with lower-risk characteristics compared to traditional plans," says Galbraith. "This makes it important to monitor the effects of enrollment in high-deductible plans on children's use of needed care, especially for vulnerable populations that are enrolled."

As high-deductible health plans have become more popular, with 10 percent of employers offering a plan with a high deductible and 14.8 million adults enrolled in 2007(1,2), they are also spreading to families with children. There is growing concern among pediatricians that

families facing high out-of-pocket costs may be failing to obtain recommended care.

A national survey published in 2007(2) showed that about half of the people enrolled in high-deductible plans did not have a choice of plans.

More information:

(1)The Kaiser Family Foundation and Health Research and Educational Trust. Employer Health Benefits 2007 Annual Survey (www.kff.org/insurance/7672/index.cfm)

(2) Fronstin P, Collins SR. Findings From the 2007 EBRI/Commonwealth Fund Consumerism in Health Survey. (www.commonwealthfund.org/usr\_doc/Fronstin\_consumerism\_survey\_2007\_issue\_brief\_FINAL.pdf?section\_4039).

Source: Children's Hospital Boston

Citation: Low-income families with sick children often enrolled in high-deductible health care plans (2009, March 30) retrieved 25 April 2024 from <https://medicalxpress.com/news/2009-03-low-income-families-sick-children-enrolled.html>

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