

# High-deductible health plans pose no special risks to the medically vulnerable, study finds

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People who are medically vulnerable -- those with low incomes or chronic health problems -- who enroll in high-deductible health plans are at no more risk for cutting back on needed health care than other people who enroll in the plans, according to a new RAND Corporation study.

The findings, from the largest national study to examine the affects of high-deductible [health plans](#), contradicts some of the earlier small studies that found medically vulnerable individuals cut back more than other people enrolled in the health plans.

The project examined the first-year experiences of more than 360,000 families nationwide who enrolled in high-deductible health plans offered by their employers from 2003 to 2007. The study, conducted with consulting firm Towers Watson, was published online by the journal *Forum for [Health Economics](#) & Policy*.

"One important issue is whether high-deductible health plans will leave low-income and chronically ill patients with inadequate access to [health care](#)," said Amelia Haviland, lead author of the study and a statistician at RAND, a nonprofit research organization. "We did not find greater cut backs for medically vulnerable families. The evidence suggests that non-vulnerable families, low-income families and high-risk families are equally affected under high-deductible plans."

High-deductible and consumer-directed health plans have been gaining favor as one way to help control health care costs. By 2009, about 20

percent of Americans with employer-sponsored health coverage were enrolled in such plans. A 2010 survey found that more than 54 percent of large employers offered at least one high-deductible health plan to their employees.

Health care reform is expected to further encourage enrollment in high-deductible health plans as such plans are expected to be a key offering in the insurance exchanges being set up in many states to help the uninsured find health coverage.

The RAND study examined the impact of high-deductible and consumer-directed health plans on families living in low-income areas where median income is below 200 percent of the federal poverty level. Also examined were families with a member who had one of the five most costly chronic physical illnesses -- heart disease, cancer, diabetes, high blood pressure or kidney disease.

Medical spending declined among all families enrolled in high-deductible and consumer-directed health plans, relative to similar families in traditional plans, with the reductions among medically vulnerable families generally being similar to that seen among other families, according to researchers.

Researchers note that the medically vulnerable families studied all had a member working full time with benefits and the results here may not hold for families with less financial stability, and in addition that similar reductions may have different health or economic impacts for these vulnerable families.

The study found that the chronically ill were more likely to receive some preventive health care than others enrolled in high-deductible health plans. The chronically ill were more likely to undergo all three recommended cancer screenings than others in the high-deductible plans,

but one chronically ill group, diabetics, reduced their receipt of standard recommended tests.

The study also provides new findings about specific designs for high-deductible and consumer-directed health plans that have the greatest impact on reducing costs.

The study found that high-deductible plans coupled with health savings accounts reduced spending by a greater amount than other types of high-deductible plans. Health savings accounts can be used to pay insurance deductibles and co-pays, and account balances can be carried from year to year and taken from job to job.

High-deductible plans with health savings accounts produced greater savings than high-deductible plans that had health reimbursement accounts, high-deductible plans with no accounts or plans with only moderate deductibles. Health reimbursement accounts can be used to pay for deductibles and co-payments, and balances typically roll over but cannot be taken from job to job.

"The greater spending cuts seen with health savings accounts is consistent with the stronger incentive to save that are created with these types of accounts," Haviland said. "When employees own an account for the long term it seems to eliminate the 'use it or lose it' incentives attached to other reimbursement accounts."

Provided by RAND Corporation

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