

Health reform essential to young adults: Nearly half can't afford needed health care

May 26 2011

Young adults ages 19-29 are struggling to get the health care they need more than almost any other age group, demonstrating the need for Affordable Care Act provisions, some already in place, that will expand health insurance and make it more affordable, according to a new Commonwealth Fund report. The report found that in 2010, 45 percent of young adults couldn't afford the care they needed, meaning they didn't fill a prescription, didn't go to the doctor when they were sick, or skipped a test, treatment, or follow-up visit, up from 32 percent who went without needed care because of cost in 2001.

The [Affordable Care](#) Act is already making a difference for young adults. Early reports by five national insurance carriers indicate that more than 600,000 young adults have obtained new insurance coverage since a key provision allowing them to stay on their parents' [health insurance](#) until age 26 went into effect in 2010. The authors say that number is certain to climb through the summer as young adults graduate from high school and college and more employers open enrollment to this age group. Young adults will see the biggest benefits from [health reform](#) in 2014 when expanded [Medicaid coverage](#) begins and [health insurance exchanges](#) with premium [subsidies](#) for [private plans](#) are launched, providing nearly universal coverage for the nearly 15 million 19- to 29-year-olds who are uninsured.

"This is not an easy time for young adults—they are struggling to find employment in a difficult job market, and are among the [age groups](#) hardest hit by rising health care costs," said Commonwealth Fund Vice

President and lead report author, Sara Collins. "But the Affordable Care Act has made things better for hundreds of thousands of young people, including this year's college graduates many of whom can remain on or join their parents' plans until they find a job that provides health insurance. In the past these young people would have had to go without insurance, or pay high prices for bare- bones coverage on the individual market."

Struggling With Medical Debt

Using findings from The Commonwealth Fund's 2010 Biennial Health Insurance Survey, the report, *Realizing Health Reform's Potential: How the Affordable Care Act is Helping Young Adults Stay Covered*, also found that 40 percent of young adults had problems paying medical bills, had been contacted by a collection agency over unpaid bills, had to change their way of life to pay medical bills, or were paying off medical debt over time. Of those with medical bill problems or medical debt, one-third had to deplete their savings to pay their bills and one in five had to take on credit card debt.

Uninsured, Moderate Income, And Low Income Young Adults Struggle Most

Uninsured young adults had the hardest time among young adults affording the health care they needed. Fifty-eight percent of uninsured young adults delayed getting needed care due to cost, compared with only 34 percent of young adults who were insured all year. In addition, half (52%) of uninsured young adults had problems with medical bills or debt, compared to one-fourth (25%) of insured young adults.

The report found young adults across the income spectrum but particularly those in low- and moderate-income families, were having an

increasingly hard time with health care costs: 53 percent of young adults earning less than \$10,830 for a single person couldn't afford the health care that they needed, up from 32 percent in 2001, and 52 percent of young adults in households earning between \$10,830 and \$21,660 couldn't afford their health care. There was also a marked increase in not getting needed care among young adults with slightly higher incomes: in 2010, 38 percent of those earning more than \$21,660 delayed care because of costs, compared to 25 percent in 2001.

How the Affordable Care Act Helps Young Adults

In 2014, when all of the Affordable Care Act provisions are fully implemented, an estimated 13 million young adults could gain health [insurance coverage](#), most of it subsidized. Some of the provisions in the Affordable Care Act that will help young adults include:

- Starting in 2010, young adults can remain on or join their parents' health insurance if it includes dependent coverage until age 26. An estimated 1.7 million young adults will become covered under parents' policies by 2013.
- Starting in 2012, college health plans will have to follow most of the same rules that private individual market health plans now face under the Affordable Care Act—eliminating lifetime coverage limits and rescissions and phasing out annual limits, though at a slower rate than private plans. As a result, the estimated 1.6 million young adults enrolled in health plans offered by colleges and university will be better protected by their health insurance.
- Starting in 2014, [Medicaid](#) will cover all adults with incomes below 133 percent of the federal poverty level—\$14,404 for a

single person—expanding coverage to an estimated 7.2 million uninsured young adults.

- Starting in 2014, state health insurance exchanges will offer comprehensive private health insurance with an essential benefit package that will include maternity benefits with subsidies to help low and moderate income young adults afford health insurance, expanding coverage to 4.9 million young adults who would qualify for the subsidies. Insurance companies will be banned from charging higher premiums on the basis of health or gender.

"Young adults are among the groups most in need of the Affordable Care Act—being uninsured or unable to afford health care puts their health and long-term financial security at risk," said Commonwealth Fund President Karen Davis. "However, things are changing for the better, and in 2014, nearly all [young adults](#) will have access to the comprehensive and affordable health insurance they need, allowing them to pursue their life and career goals without the worry that one serious illness or accident could derail their future plans."

More information: The report is part of the series of issue briefs, Realizing Health Reform's Potential, examining the way the Affordable Care Act of 2010 will benefit different populations and groups, as well as improve insurance coverage and change the delivery of care. It will be available on May 26th at: www.commonwealthfund.org/Content/Young-Adults.aspx

Provided by Commonwealth Fund

Citation: Health reform essential to young adults: Nearly half can't afford needed health care

(2011, May 26) retrieved 26 April 2024 from <https://medicalxpress.com/news/2011-05-health-reform-essential-young-adults.html>

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