

High medical bills driving some Americans to extreme measures

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In study, stories of credit card debt and cutting back on food and heating were common, even for the insured.

(HealthDay)—Insured Americans with serious medical conditions say the financial stress of rising out-of-pocket health care costs is forcing them to juggle household budgets, delay or skimp on care and even run up credit cards or dodge debt collectors, a new study reveals.

The report, published in the January/February issue of the journal [Annals of Family Medicine](#), provides a snapshot of "life disruptions" people experience as a result of their medical expenses and the sometimes extreme measures they take to keep their heads above water.

One study participant was prescribed a drug to alleviate [nausea and vomiting](#) caused by his [cancer chemotherapy](#). Insurance picked up \$900 of the \$1,200 cost, but he could not even afford the co-payment and

went without the medicine. "I said, you know what, I'd rather be sick," he told researchers.

Another paid all her bills but relegated her grocery budget to "whatever's left."

"Sadly, our experience with thousands of patients over the last decade has shown us that many of them have to make heartbreaking decisions about following doctors' orders or putting food on the table for themselves or their families," said Sarah Di Troia, chief operating officer of Health Leads, a Boston-based organization that works with hospitals and clinics to connect patients to basic resources.

David Lipschutz, policy attorney for the Center for Medicare Advocacy in Washington, D.C., said the study is important, timely and "reinforces a lot of the other literature out there" examining the effects of out-of-pocket spending.

Medicare has considerable cost-sharing requirements, and many people who have Medicare "simply don't earn the income in order to afford it," Lipschutz added.

Consider this: Half of the nation's [Medicare beneficiaries](#) live on less than \$22,000 a year, and 45 percent have three or more [chronic conditions](#), according to data compiled by the Henry J. [Kaiser Family Foundation](#).

Medicare beneficiaries spent a median of more than \$3,100 of their own money on health expenses in 2007, the most recent comprehensive data, according to the AARP's Public Policy Institute. Four million beneficiaries, or 10 percent of the Medicare population, shelled out much more. Their out-of-pocket spending topped \$7,800.

With [health care costs](#) outpacing income growth, study lead author Dr. David Grande, assistant professor of medicine at the University of Pennsylvania Perelman School of Medicine, wanted to know how families are coping financially.

"My sense is that we focus so much on whether people are covered or not, which is extremely important, we forget how important it is that the coverage is adequate," he said.

For the study, researchers interviewed 33 insured, chronically ill adults who were applying for financial assistance at a nonprofit foundation to help pay for their treatment costs. People were asked about illness-related financial challenges and their impact on housing, food, utilities, savings, borrowing and health expenses. The interviews were recorded, transcribed and coded for analysis.

Most of the study participants had Medicare, while the rest had employer coverage or temporary group coverage under COBRA. One had Medicaid.

About 85 percent of patients had annual incomes of \$40,000 or less, and more than a third of those people lived on \$20,000 or less.

Gaps in coverage, particularly Medicare's "doughnut hole" in prescription drug coverage, and benefit designs that make spending from month to month unpredictable, were among the key disruptions that study participants cited.

To pay medical bills, some people described compromises in housing and transportation. In one case, newer cars were voluntarily repossessed and replaced with a "junker."

Grande found patients' use of credit cards to cover medical expenses

particularly troublesome.

"I was very worried when I heard patients describing credit cards as their last resort to cover medical expenses," he said. "The potential for a destructive cycle of high-interest debt and more financial distress is scary."

Several people in the study were involved in legal matters resulting from unpaid medical debt.

Experts say the Affordable Care Act, the Obama administration's sweeping health reform law, will help. The law closes Medicare's doughnut hole by 2020 and provides certain preventive services at no out-of-pocket cost.

Long term, though, many of the proposals being considered for reforming Medicare "would merely shift costs onto beneficiaries themselves," Lipschutz noted.

The study also found that people "infrequently discussed costs with their physicians," deciding for themselves which treatments were too costly to pursue.

Physicians don't have the time or training to talk to patients about these issues, explained Health Leads' Di Troia. "We've had physicians explain to us they practice essentially a 'don't ask, don't tell' policy around basic resources," she said.

Grande and colleagues mention Health Leads as a model for connecting physician practices with support services that patients need.

"You don't want people skipping or delaying care," said Dr. Jeffrey Cain, a Denver-based family physician and president of the American

Academy of Family Physicians. Having a conversation during the visit is important, but that discussion could be led by a member of a patient-care team, such as a nurse or social worker, he explained.

More information: The AARP Public Policy Institute has examined Medicare beneficiaries' [out-of-pocket spending](#).

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