

Health reform shields young adults from emergency medical costs, study finds

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A new federal law allowing young adults to remain on their parents' medical insurance until age 25 has shielded them, their families and hospitals from the full financial consequences of serious medical emergencies, according to a new RAND Corporation study.

Examining [hospital emergency department](#) use during the first year after the federal Affordable Care Act provision went into effect, researchers estimate that \$147 million in nondiscretionary medical care was newly covered by [private insurance](#). Without the new regulation, those costs would have been paid by young people and their families, or been written off by hospitals as uncompensated care.

The study, published in the May 30 edition of the *New England Journal of Medicine*, estimates that more than 22,000 nondiscretionary [emergency room visits](#) during 2011 involved young adults who were newly insured under the provision. The change increased health insurance rates by 3 percent among the young adults needing care in emergency departments nationwide during the period.

"The change allowing young people to remain on their parents' medical insurance is protecting young adults and their families from the significant [financial risk](#) posed by emergency medical care," said Andrew Mulcahy, the paper's lead author and a health policy researcher at RAND, a nonprofit research organization. "Hospitals are benefitting, too, because they are treating fewer uninsured young people for emergency ailments."

Under one of the first provisions of the [Affordable Care Act](#) to go into force, commercial [health policies](#) beginning in September 2010 were required to allow young adults up to age 25 to retain coverage under their parents' insurance.

Previous studies have shown that the provision significantly increased the number of insured young adults. One recent report estimates that the provision is associated with an additional 3.1 million insured young adults nationally.

RAND researchers examined emergency department care for serious injuries and illnesses provided after the provision went into effect in order to examine the role that the coverage expansion has played in providing protection to young people and health care providers.

Researchers examined details about emergency medical care provided to adults aged 19 to 31 at a diverse national group of 392 hospitals from January 2008 through December 2011.

Experts examined cases to determine which ones could be considered nondiscretionary in nature. Researchers wanted to analyze only cases that involved serious or painful illnesses and injuries that are likely to prompt patients to seek care in an emergency department regardless of whether they have insurance. Only 6 percent of emergency department visits met those criteria.

The study compared insurance status among those aged 19 to 25 with people who were aged 26 to 31, who were unaffected by the new provision of the health law. This provided a means for researchers to analyze whether changes in insurance coverage among the younger group was caused by trends other than the new health law.

"Our findings show that young adults not only are more likely to have

insurance coverage after the provision went into force, but they and hospitals also have improved financial protection," Mulcahy said.

"Because we looked at only the most-serious emergency cases to rule out the influence of insurance on the decision to seek health care, we probably underestimate the full financial benefits that the new rules have provided to [young adults](#) who need urgent medical care."

Provided by RAND Corporation

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