

# Cost of health care a burden for most US households

March 14 2014, by Milly Dawson

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Since 2001, health care costs have become more burdensome for almost all Americans, at every income level and in every geographic area, finds a new study published in *The Milbank Quarterly*.

Linda Blumberg, Ph.D., senior fellow in the Health Policy Center at the Urban Institute said that she and her colleagues conducted the study as part of a multiyear project to evaluate effects of the Affordable Care Act (ACA). "What would things have looked like in 2014, '15, and '16 without reform" was a key question motivating their research, she said, adding that "lots of things change absent policy changes."

The researchers assessed trends in health care-related financial burden

before the ACA by building a data set highlighting trends between 2001 and 2009. Financial burden was defined as the total amount of money a household spent for both insurance premiums and out-of-pocket health care expenses, compared to a household's before-tax income.

The median financial burden tied to [health care costs](#) grew about 2.7 percent annually, or about 21.9 percent, between 2001 and 2009. While median household income rose an average of 1.5 percent per year during that time span; payments for insurance premiums rose 7.1 percent and out-of-pocket health costs rose 1.2 percent on average annually.

"These increases were felt...by households of all ages, incomes, and health status" all over the United States, the authors wrote. Hardest hit were households with an oldest member between age 35 and 54. Married couples and single adults without children as well as two-parent households with children all experienced significantly increased burdens to pay for health care. Only single parents with children did not see a significant rise in the health care-related financial burden; many of these families had at least one member enrolled in Medicaid or the Children's Health Insurance Program (CHIP).

Len Nichols, Ph.D., professor of health policy at George Mason University, noted that the study uses "a comprehensive definition of expense...and the best household survey data available for the longest time period ever assembled for this purpose." He noted that the authors used the same definitions of income as the ACA, making their work perfectly usable for future assessments of [health care reform](#)'s impact on affordability.

"They show convincingly that [health care](#) is becoming less affordable over time for almost everyone," said Nichols. "The paper also reminds us that value matters more than cost."

In this regard, Nichols noted, while some uninsured people who gain coverage and some insured people who have to buy better new policies may pay more after reform than they used to pay, they will probably have better coverage. Keeping value in mind, he said, underscores the fact that although [financial burden](#) analysis is important, "it is not the 'last word' on the wisdom of recent policy changes.

**More information:** BLUMBERG, L. J., WAIDMANN, T. A., BLAVIN, F. and ROTH, J. (2014), "Trends in Health Care Financial Burdens, 2001 to 2009." *Milbank Quarterly*, 92: 88–113. [DOI: 10.1111/1468-0009.12042](#)

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