

Study shows increasing number of people were facing high medical cost burdens before ACA implementation

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New coverage options offered by the Affordable Care Act (ACA) insurance marketplaces provided potential benefits for the increasing number of Americans who were shouldering high medical cost burdens prior to the ACA, according to a Virginia Commonwealth University-led study.

In an article that was published this month in the journal *Health Affairs*, Peter Cunningham, Ph.D., professor in the Department of Healthcare Policy and Research at the VCU School of Medicine, analyzed trends in the number of American families who experienced high financial burdens due to medical costs during the years leading to the implementation of the ACA. He found that the percentage of Americans with high medical cost burdens – those who spend more than 10 percent of their family income on out-of-pocket [health care](#) expenses – increased to 19.2 percent in 2011, after having stabilized at 18.2 percent during the 2007-9 recession.

"People who had the highest medical cost burdens were those who had non-group [private insurance](#), which is [health insurance coverage](#) that they purchased on their own," Cunningham said, adding that almost half of those people were spending more than 10 percent of their [family income](#) on health care. By comparison, only 20 percent of people who had private insurance through an employer spent more than 10 percent of their income on health care. For both groups, medical cost burdens

increased substantially during the first decade of the 2000s.

"Prior to the ACA, non-group insurance coverage was very expensive," Cunningham said.

The analysis showed that access to the new health insurance marketplaces and premium subsidies could substantially reduce financial burdens for people who had previously purchased non-group private [insurance](#), since medical cost burdens had been highest for income groups most likely to benefit from the ACA's coverage expansions.

For the January publication, Cunningham analyzed data up to 2011, which was the latest data available at the time the study was conducted. He plans to follow up on this study by analyzing data from the years after the ACA became law.

"It's going to be even more important to track into the future because this is going to be one of the primary ways that we will be able to tell whether the ACA is working," Cunningham said. "Is it lowering health care costs? Is it allowing people who previously were uninsured to purchase coverage or enroll in Medicaid?"

Provided by Virginia Commonwealth University

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