

Obamacare means 2 million fewer Americans face catastrophic medical bills each year

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(HealthDay)—Since the passage of "Obamacare," fewer Americans are

facing insurmountable medical bills—but the benefit does not seem to be reaching people with private insurance, a new study shows.

Researchers found that after the Affordable Care Act (ACA) was implemented, the number of Americans incurring "catastrophic" [health](#) care expenses each year dropped—from 13.6 million in 2010 to 11.2 million in 2017.

But while the decline is good news, the 11-million figure is still "staggering," said lead researcher Dr. Charles Liu of Stanford University School of Medicine.

In addition, there were no signs that Americans with private [insurance](#) have gained protection from financial catastrophe. And those with low incomes remain in greatest jeopardy.

Among the one-quarter of Americans with the lowest incomes, those with [private health insurance](#) often faced sky-high medical bills, the study found. In 2017, one-third had catastrophic expenses.

"Catastrophic" meant medical bills consumed more than 40% of what's left of a person's income, after housing and food costs.

"What really surprised us is how often people with [private insurance](#) experienced catastrophic expenditures," Liu said. "It speaks to the level of underinsurance in this country."

That means that despite having health insurance, people can still find themselves buried in medical bills. Some health plans, for instance, have huge deductibles that people must pay through before their coverage kicks in.

In other cases, Liu said, patients are hit with "surprise bills" for out-of-

network care they did not know they were receiving. That could happen, for instance, if patients go to a hospital that is in their health plan's network, but a doctor there who cares for them is out-of-network.

The coronavirus pandemic could boost these numbers due to unexpected medical care and widespread job loss, the researchers noted.

Studies have shown that U.S. employers are increasingly turning to [health plans](#) with high deductibles or other forms of "cost sharing" for their employees—in an effort to keep their monthly premiums down.

It's not surprising that the ACA has protected only certain Americans from catastrophic health care expenses, Liu said.

The law was primarily intended to help Americans who lacked health insurance. It expanded eligibility for Medicaid in many states, and helped middle-income Americans buy subsidized insurance through the health plan "marketplace."

The ACA did reduce the ranks of the uninsured. In 2017, just under 28 million Americans had no health insurance, versus nearly 43 million in 2010, the authors noted.

But expanding [health insurance](#) coverage, alone, is not enough, according to Liu. "There's a reason health care remains a huge source of stress for Americans," he said.

Cheryl Fish-Parcham is director of access initiatives at Families U.S., a nonpartisan, consumer health care advocacy group.

She said that ACA provisions have kept catastrophic costs from becoming "much worse."

"But we need to continue making progress, as this study shows," Fish-Parcham said. "Out-of-pocket limits are still very high compared to income, especially since costs of housing and other necessities are escalating."

The findings were published online Sept. 24 in *JAMA Network Open*. They come from an ongoing federal survey of Americans, their medical providers and employers.

Liu's team found that catastrophic health care expenditures did dip after the ACA was fully implemented in 2014. But the decline was confined to people on Medicaid, which enrolled about 7 million more Americans in 2017 than in 2010.

So, by 2017, privately insured people accounted for a larger share of all Americans with catastrophic costs—almost 54%, versus 46% in 2010, according to the report.

Liu said it's not clear, though, that all of the benefit seen in this study came from Medicaid expansion. Individuals who bought insurance through the marketplace might have been better protected, versus pre-ACA times. But the data "lumped together" all privately insured Americans, Liu said—and the vast majority would have employer-sponsored insurance.

"Deductibles in employer-based insurance are so high that some people have to spend their entire savings on health care," Fish-Parcham said. "And costs are worst for people with illnesses that span multiple years."

Going forward, she said, policymakers have to address the bigger problem of soaring health care [costs](#).

More information: The Kaiser Family Foundation has more on the

[Affordable Care Act.](#)

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