Rising costs of health care coverage continue to put financial strain on even the privately insured

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By 2022, the share of Americans without health insurance had reached a record low of just under 8%. More than half the U.S. population, an estimated 180 million individuals (or 55%), were covered by private health insurance. However, the financial burden of health care continues to contribute to stress, poverty, debt, bankruptcy and worse health outcomes even for those with private coverage.

A new study published in *JAMA Internal Medicine* by investigators at Beth Israel Deaconess Medical Center (BIDMC) has revealed that annual total spending on health care by privately insured families, including contributions to insurance premiums and out-of-pocket spending on medical care and prescription drugs, increased significantly between 2007 and 2019. The overall increase was driven largely by a rise in families' contributions to premiums, while out-of-pocket costs remained stable during the study period.

Corresponding author Rishi Wadhera, MD, MPPP, MPhil, associate director of the Smith Center at BIDMC and associate professor of medicine at Harvard Medical School, and colleagues looked at total health care spending of more than 96,000 families with private insurance from 2007 to 2019. Among low-income families, inflation-adjusted mean total health care spending rose from $3,163 in 2007 to $3,247 in 2019, while higher-income families saw total health care spending rise from $4,071 to $5,239 during the study period. By 2019, the financial burden of medical care accounted for more than 26% of low-income families' post-subsistence income, which was four times higher than that of higher-income families (6.5%).

The findings highlight the need to strengthen financial safeguards for low-income families with private insurance through policies that place a stronger emphasis on regulating premiums, to alleviate the high and rising burden of health care on these families. The investigators suggest that the aging population with increasing health care utilization,
increasing administrative costs, specialty drug costs, and private insurers' interest in profitability are factors underlying the rising costs of premiums.


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