Coverage in Crisis

The Erosion of Job-Based Coverage and the Future of America’s Healthcare Debate

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Los Angeles Times
“I’m being charged an incredible amount of money just to live. It somehow doesn’t feel fair.”

-Wendy Matney
Bristol, Tenn.
Job-based insurance: The backbone of our system
40 percent of covered workers say they’ve had difficulty affording healthcare in the last year.

### Struggling to pay
Share of workers who say they or an immediate family member had difficulty paying for each in the last year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical bills before meeting deductible</td>
<td>25%</td>
</tr>
<tr>
<td>Surprise medical bills*</td>
<td>20%</td>
</tr>
<tr>
<td>Co-pays for prescription drugs</td>
<td>14%</td>
</tr>
<tr>
<td>Co-pays for doctor visits</td>
<td>13%</td>
</tr>
<tr>
<td>Monthly health insurance premium</td>
<td>9%</td>
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*Includes bills people thought would be covered but were not covered in part or in full by their health plan.
Half of covered workers say they or an immediate family member have **delayed care** in the previous year because of cost.
One in six covered workers had to make a “difficult sacrifice” in the last year to pay for healthcare
What’s happening out there …

“I had to work three jobs at once.”

“Not paying mortgage”

“Ate like a bird sometimes.”

“Avoid going to the doctor”

“Gone hungry”

“My kids didn’t get a new bed to share.”
Deductibles, deductibles!

Deductibles were small at first, but have been rising steadily over the last decade.

Average deductible for single coverage:
- $379 in '06
- $1,350 in '18
... And no money to pay.

47% of non-elderly single households don’t have enough saved to cover a $2,000 bill
Where It All Started

“More and more Americans face staggering bills when they receive medical help.”

-President Richard M. Nixon
Feb. 6, 1974
In the 1990s, HMO’s seemed to offer hope for controlling healthcare costs.

Annual increase in health care spending:

- 1987: +12.2%
- 1999: +6.3%
Then this happened…
A Revolution is Born

“Lower prices, more affordability and more consumer choices.”

-Former House Speaker
Newt Gingrich
The rush was on ...
Fewer than **1 in 5** workers is now in a plan with **no deductible**

Source: Kaiser Family Foundation
Most Americans aren’t saving for healthcare

Health Savings Accounts are disproportionately used by high-income Americans

<table>
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<tr>
<th>Wages: Less than $75,000</th>
<th>More than $150,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average employee HSA contribution (2016)</td>
<td>$620</td>
</tr>
<tr>
<td>Average end-of-year HSA balance</td>
<td>$2,098</td>
</tr>
<tr>
<td>Percentage investing HSA</td>
<td>10%</td>
</tr>
</tbody>
</table>
Nor are Americans shopping for medical care

17% shopped around to find the best price for a medical service
And hospitals, doctors and drug companies are not moderating prices

Average price of full knee replacement

$26,780

$34,812

'03

'16
“Having a miscarriage was hard. Having to deal with medical bills for months afterwards was like salt in the wound.”

-Rebecca Grimm
Westfield, Ind
People are getting angry ...

"You work and do what you're supposed to, and you really pay the price."

-Shawn Stevens
Trenton, Mich.
Mounting Frustration

Workers in high-deductible plans are more likely to be dissatisfied with their coverage.
36 percent

- Share of workers with a chronic condition who say their insurance has gotten worse in the last five years.
What do Americans want?

Support for Medicare-for-all Has Narrowed Over Time

Do you favor or oppose having a national health plan, sometimes called Medicare-for-all, in which all Americans would get their insurance from a single government plan?

Favor: 57% 55% 59% 56% 57% 56% Apr 56% 51% 53% 51%

Oppose: 38% 43% 38% 42% 37% 39% Apr 38% 42% 45% 47%

SOURCE: KFF Health Tracking Polls. See topline for full question wording and response options.
Prices, prices, prices!

Should each of the following be a top priority, important but not a top priority, not too important, or should it not be done?

- Lowering prescription drug costs: 70% Top priority, 23% Important but not a top priority, 4% Not too important, 2% Should not be done.
- Maintaining ACA’s pre-existing condition protections: 69% Top priority, 22% Important but not a top priority, 3% Not too important, 4% Should not be done.
- Lowering what people pay for health care: 64% Top priority, 27% Important but not a top priority, 4% Not too important, 4% Should not be done.
- Protecting people from surprise high out-of-network medical bills: 56% Top priority, 32% Important but not a top priority, 6% Not too important, 4% Should not be done.
- Expanding government help for those buying coverage on the ACA marketplace: 32% Top priority, 38% Important but not a top priority, 12% Not too important, 14% Should not be done.
- Implementing a national Medicare-for-all plan: 30% Top priority, 23% Important but not a top priority, 9% Not too important, 35% Should not be done.
- Repealing and replacing the ACA: 30% Top priority, 24% Important but not a top priority, 12% Not too important, 26% Should not be done.

SOURCE: KFF Health Tracking Poll (conducted September 3-6, 2019). See topline for full question wording and response options.
Where do we go from here?

For more information about this series: noam.levey@latimes.com