

Coverage in Crisis

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

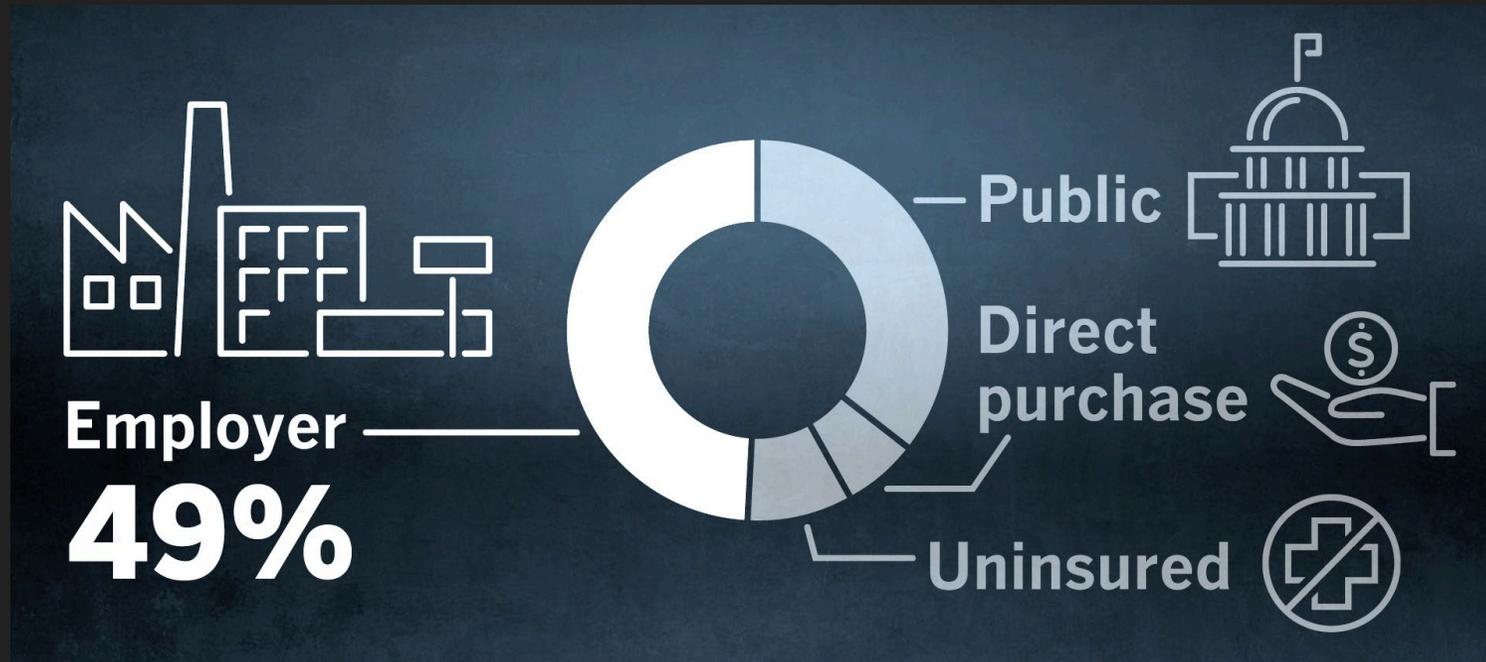
Noam N. Levey
National Healthcare Reporter
Los Angeles Times



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

-Wendy Matney
Bristol, Tenn.

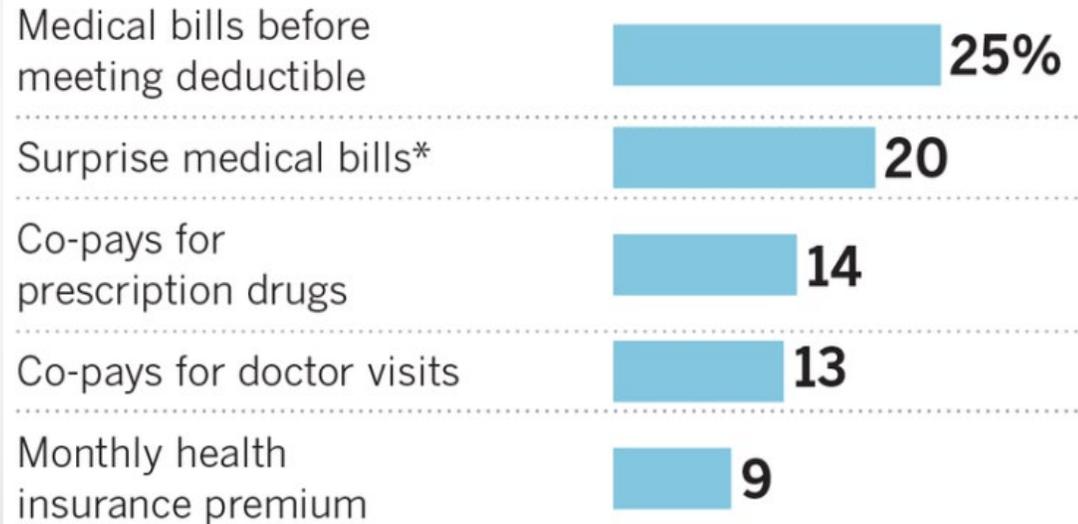
Job-based insurance: The backbone of our system



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:

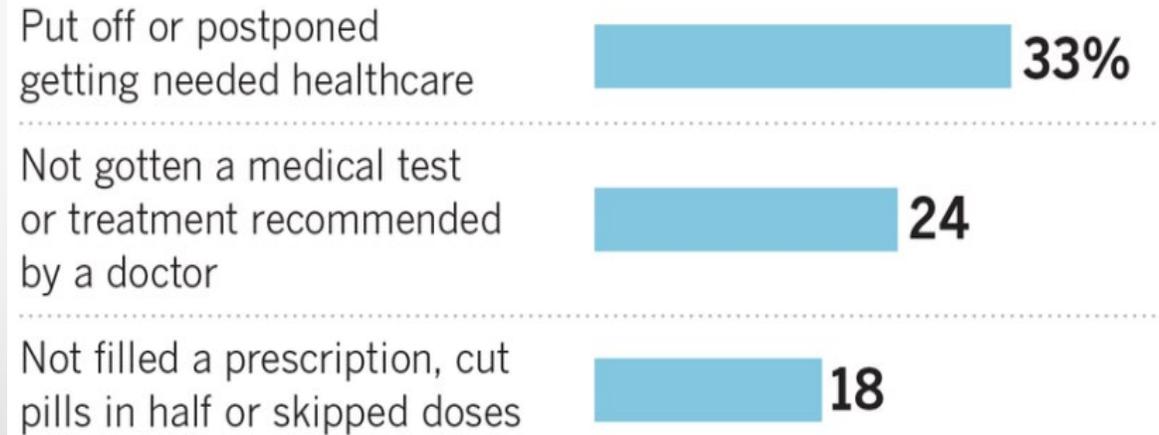


*Includes bills people thought would be covered but were not covered in part or in full by their health plan

Half of covered workers say they or an immediate family member have **delayed care** in the previous year because of cost.

Delaying care

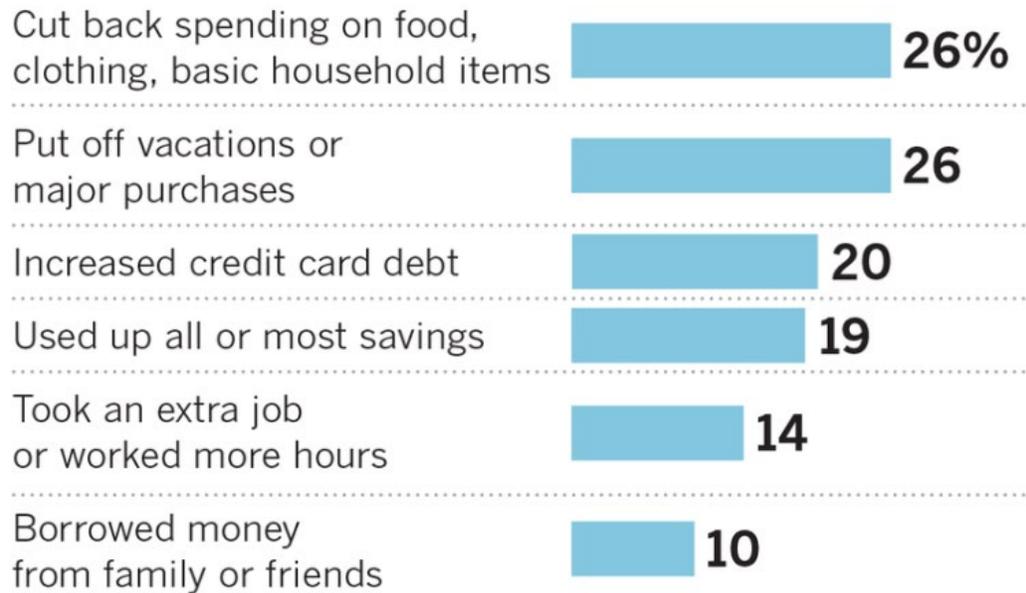
Share of workers who say they or an immediate family member have done each of the following in the last year:



One in six covered workers had to make a **“difficult sacrifice”** in the last year to pay for healthcare

Sacrificing for care

Share of workers who say they have done the following to pay for healthcare in the last year:



What's happening out there ...

"I had to work three jobs at once."

"Avoid going to the doctor"

"Not paying mortgage"

"Ate like a bird sometimes."

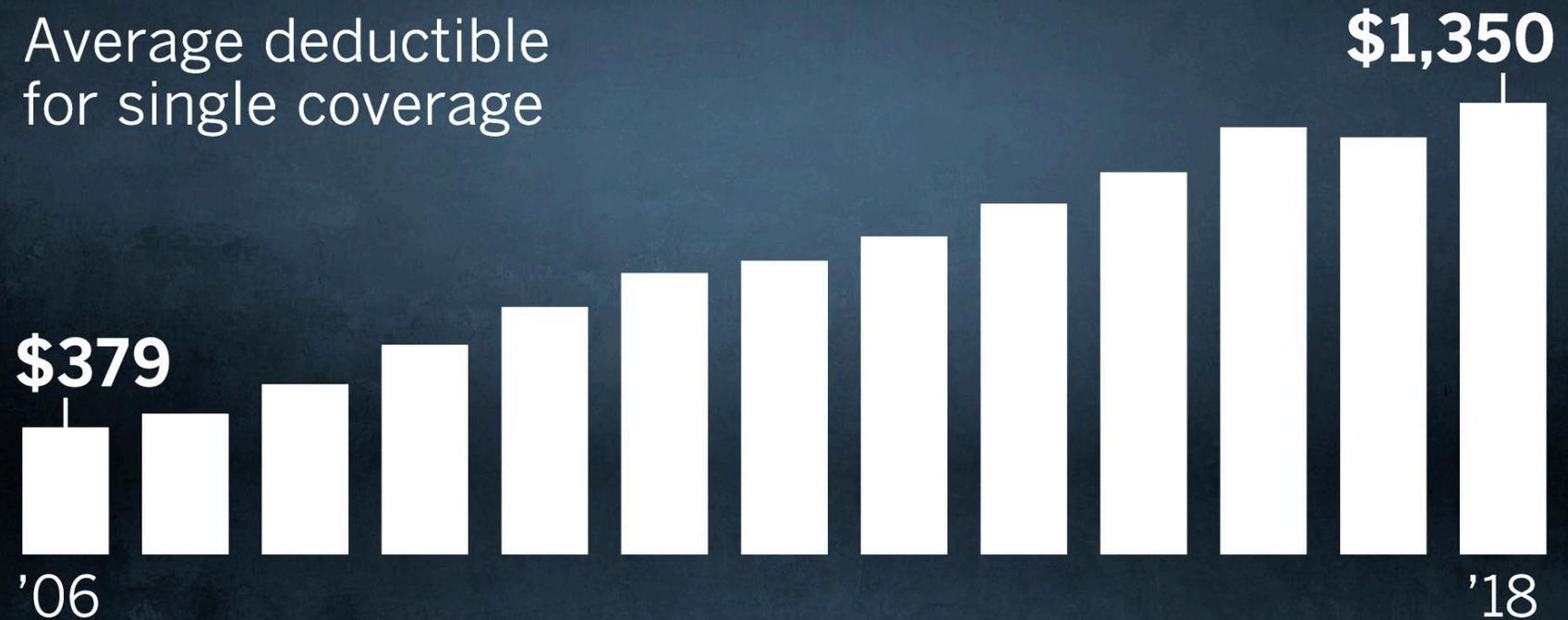
"Gone hungry"

"My kids didn't get a new bed to share."

Deductibles, deductibles!

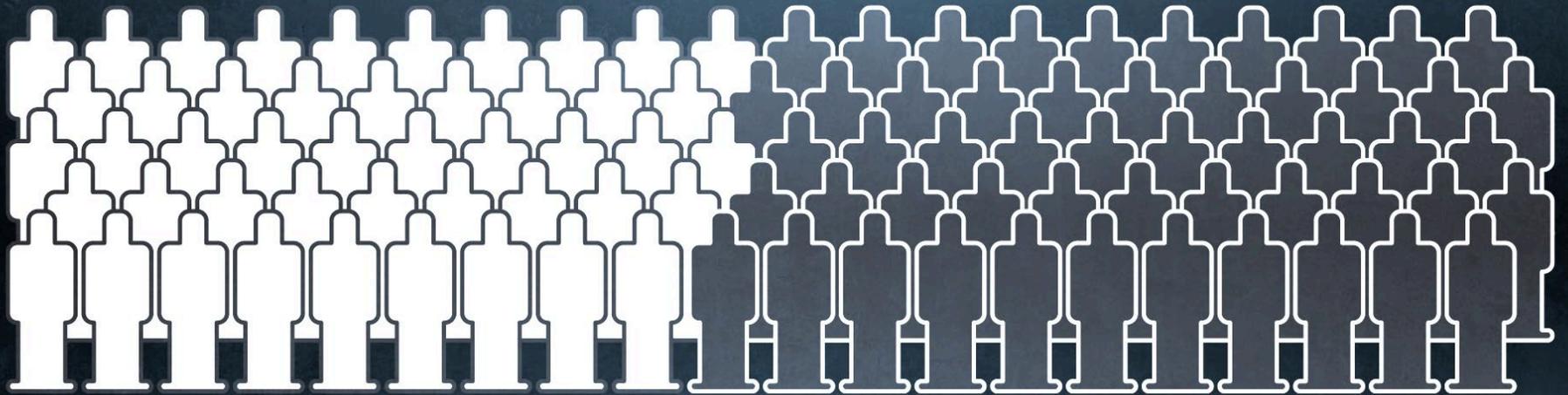
Deductibles were small at first, but have been rising steadily over the last decade

Average deductible for single coverage



... 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

+12.2%

Annual increase
health care spending

+6.3%

'87

'99



Then this
happened ...

Diabetic Undergoes Red-Tape Shock With His HMO

Michael Harper, a Silver Lake resident who is a Type 2 adult onset diabetic and requires insulin to control his blood sugar levels, was delighted to read last January that a state law had gone into effect requiring HMOs to cover diabetic supplies.

The law by state Sen. Hilda Solis (D-La Puente) specifically includes the test strips and meter to monitor blood sugar several times a day and needles for insulin delivery devices.

In February, Harper started trying to take advantage of the new law, but, according to detailed letters he has sent me in recent weeks, he has encountered one frustration after another. One problem seems to be an



AN EQUAL CHANCE
KENNETH REICH

"We're obviously troubled here by the lack of access to the care," she said. "It appears that both the doctors' group and the health plan are attempting to

Consumers Hit Back as HMOs Covet Damages

By ALISSA J. RUBIN
TIMES STAFF WRITER

MOUNDSVILLE, W.Va.—Susan DeGarmo, who stands a commanding 6 feet, 2 inches, with broad shoulders and a full head of red-blond hair, is clearly no one to be trifled with. But she almost met her match in her family's health maintenance organization.

After her son was paralyzed from the waist down when a pickup

Bundle of Joy Brings On HMO Headaches

First Person

By SARA J. SINGER

It's a girl! My doctor's long-awaited pronouncement heralded one of the most joyous moments of my life. More surprising for this first-time mother was the extent to which so many people shared in our enthusiasm. Not just family and friends, but my employer,



A Revolution is Born

"Lower prices, more
affordability and more
consumer choices."

-Former House Speaker
Newt Gingrich

The rush was on ...

**WELLS
FARGO**



Medtronic

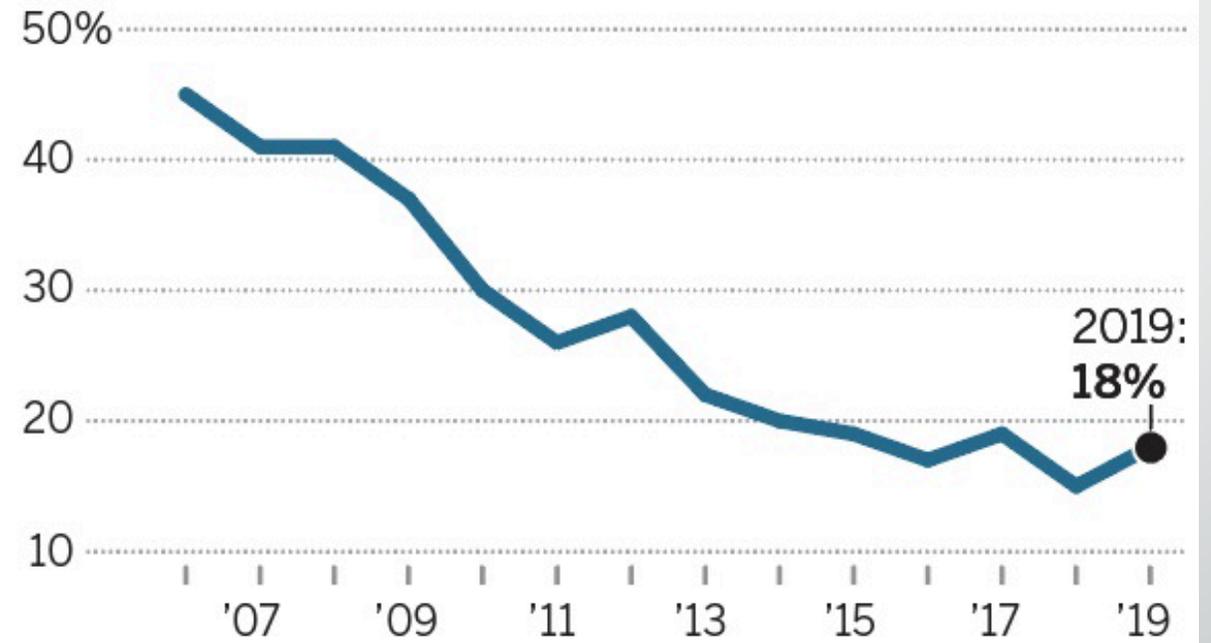


TARGET

**WHOLE
FOODS
MARKET**

Fewer than **1 in 5**
workers is now
in a plan with
no deductible

Share of workers in a single 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

Tax filers with income over \$100,000 ...

... make up a small share of total tax filers 19%

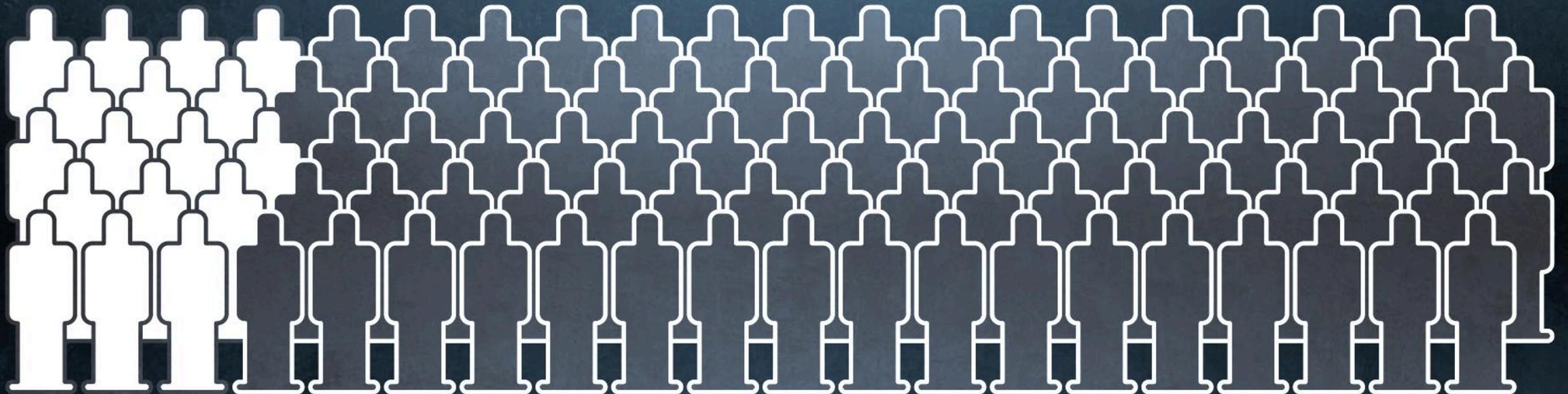
... but account for a majority of HSA contributions 70

High-wage workers at a large national company put more into HSAs, saved more and invested more.

| | Wages: Less than \$75,000 | More than \$150,000 |
|--|---------------------------|---------------------|
| Average employee HSA contribution (2016) | \$620 | \$1,736 |
| Average end-of-year HSA balance | \$2,098 | \$6,435 |
| Percentage investing HSA | 10% | 18% |

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





“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."

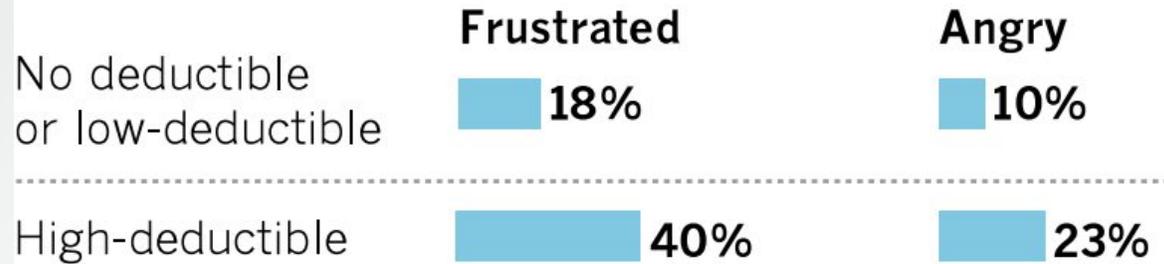
-Shawn Stevens
Trenton, Mich.



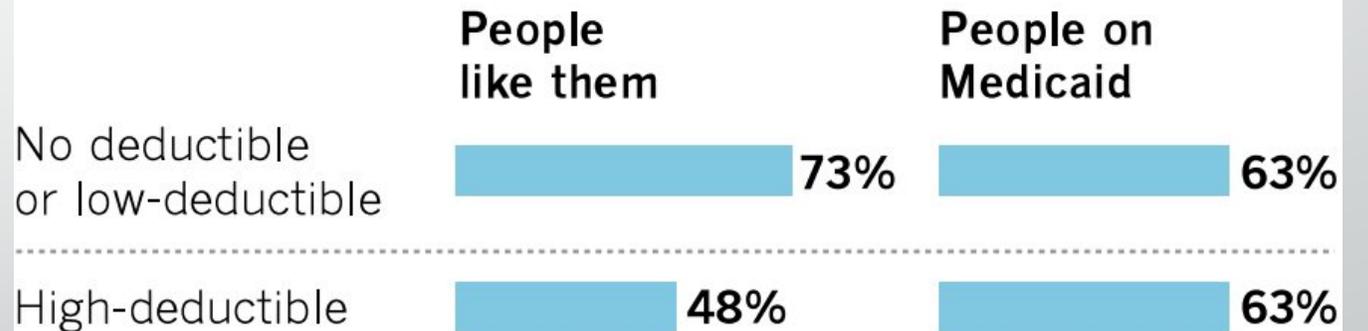
Mounting Frustration

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

Percentage saying they're ...



Percentage who believe the system works for ...



Low-deductible is less than \$1,500 for an individual and \$3,000 for a family; high-deductible is greater than \$3,000 for an individual and \$5,000 for a family.

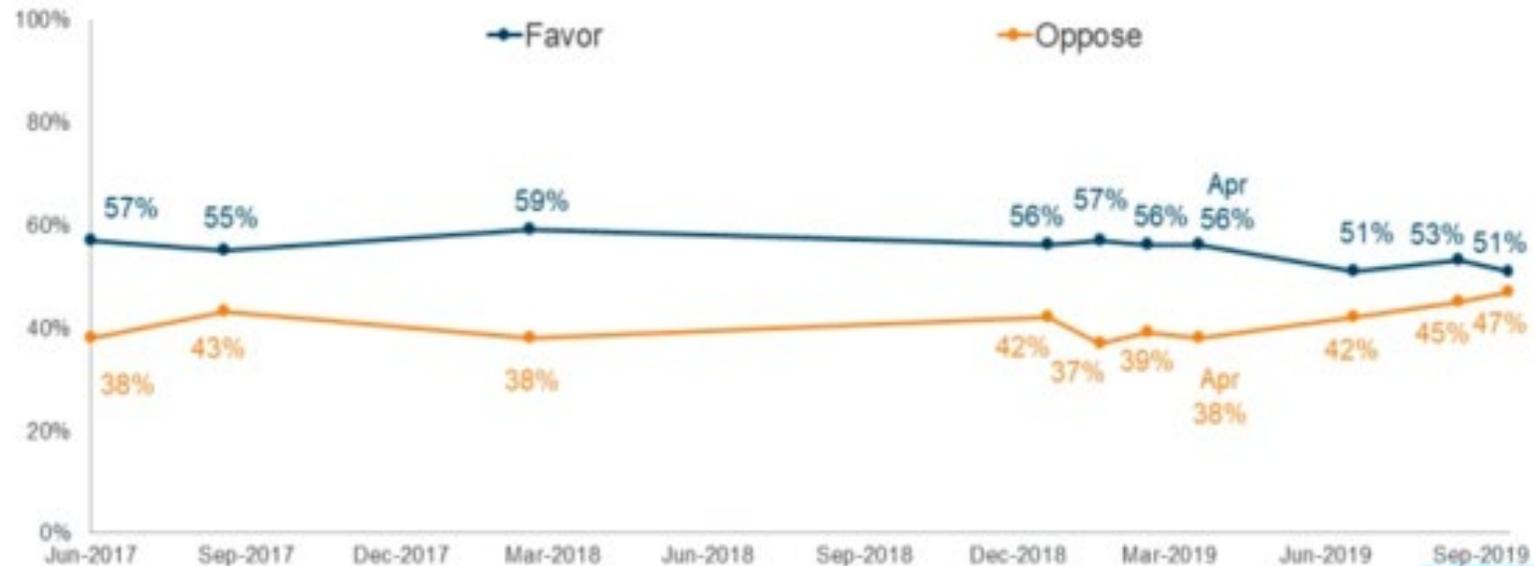
-Share of workers with a chronic condition who say their insurance has gotten worse in the last five years

36 percent

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?

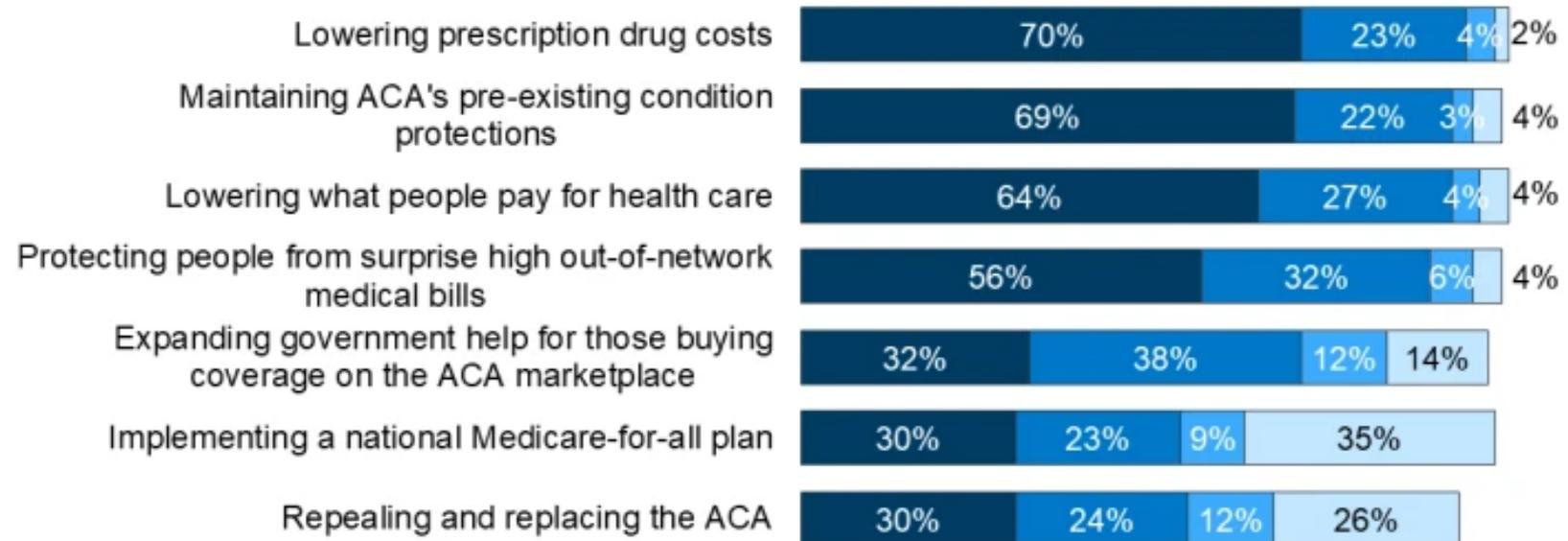


SOURCE: KFF Health Tracking Polls. See topline for full question wording and response options.

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?

■ Top priority ■ Important but not a top priority ■ Not too important ■ Should not be done



SOURCE: KFF Health Tracking Poll (conducted September 3-8, 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