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Ohio flooded with high-cost health insurance; coverage goes up but access goes down

Written by: Casey Ross, September 2, 2015

Since when did giving birth come with thousands of dollars of out-of-pocket costs?

One patient at MetroHealth faced that question just recently, when she discovered her husband's employer-provided health insurance came with a deductible her family couldn't afford.

The baby wasn't going to wait, but the payment had to – because it took several months to sort out how to cover the mother's care.

"We went through three appeal processes," said Donna Graham, a MetroHealth executive who helped the patient get retroactive coverage through Medicaid. "We try to be proactive with patients so they don't get panicked about these costs."

But the panic is spreading. Ohio has the third largest number of enrollees in high-deductible insurance in the country, behind only Illinois and Texas, according to a study by America's Health Insurance Plans, a national trade group.

In this March 15, 2014 photo, a volunteer health care worker wears a t-shirt, getting people to sign up for the new health care programs. Although coverage has expanded under the law, patients are still struggling to afford high deductibles and other forms of cost sharing. (AP Photo/J Pat Carter)

Ohio has the third largest number of high-deductible enrollees in the nation, behind only Texas and Illinois. As the above graphic shows, Ohio also ranks near the top in concentration of such plans in the private insurance market.

The plans are popular because they carry lower premiums and help more people get insurance coverage. And some experts argue they put discipline back into the marketplace by encouraging patients to comparison shop and think more carefully about when they access care.

However, patient advocates and some providers say such plans can also create a self-defeating cycle in which patients -- particularly those with lower incomes -- skimp on care to save money, and then land in the emergency room when their medical problems get out of control.

"That leads to more expensive treatment," said Cathy Levine, executive director of the Universal Health Care Action Network. "Putting a financial barrier in the way of people receiving medical care is bad public policy if our goal is to improve care and control costs."

Have you struggled to get access to care through a high-deductible plan? Email your story to cross@plaind.com.

High-deductible plans are typically provided to patients through employers, but they are also available through the government exchanges created by the Affordable Care Act, commonly known as Obamacare.

In recent years, high-deductible plans have exploded in popularity, with the number of enrollees nationwide jumping to 17.4 million last year from 3.2 million in 2006, the America's Health Insurance Plans study shows.

Such plans vary widely in the amount of the deductible and the services covered. Starting in 2014, the Affordable Care Act required that all plans sold on the individual and small-group markets cover so-called essential health benefits and certain preventive care services.

But some studies have found that regardless of what services are covered, patients with high-deductible plans are avoiding care. One report by the health care consumers' group Families USA determined that 30 percent of people with deductibles of $1,500 or more went without some care.

The report, which focused on individuals who purchased insurance without the help of an employer, found that people were skipping everything from basic check-ups, to diagnostic tests, to filling prescriptions.

"You hear some really scary scenarios," said Cheryl Fish-Parcham, private insurance program director for Families USA. "People won't go to get bloodwork done because they think it is too expensive."

In Northeast Ohio, hospitals and other providers are struggling to strike a balance between making care accessible and collecting money from patients who are struggling to pay higher out-of-pocket costs.

Between 2011 and 2013, the amount of bad debt carried by hospitals in the region more than doubled, from $274 million to $631 million, according to the Center for Health Affairs. The center represents 34 hospitals and six health systems in Ashtabula, Cuyahoga, Lake, Lorain and Medina Counties.

As patients take on more financial responsibility through high deductible plans, the amount of bad debt is skyrocketing while uncompensated care -- free care for those without any insurance -- has leveled off.

"I don't think the red lights are flashing yet, but [providers] are very aware of what's going on and they are looking hard at it," said Bill Ryan, president of the Center for Health Affairs.

Reports from several sources indicate the bad debt problem is beginning to moderate and that hospital finances are generally improving. But Ryan said dealing with the issue is still tricky for nonprofit hospitals. They have to protect their bottom lines, but they also can't be overly aggressive as debt collectors, because that could contradict their nonprofit missions and alienate the communities they serve.

"It's something hospital CFOs stay up all night thinking about," Ryan said.

At University Hospitals, executives are working on ways to educate patients about their insurance options and potential out-of-pocket costs.

Brent Carson, vice president of managed care at UH, said more and more patients are suffering from sticker shock once they realize insurance doesn't cover all of their costs.

"High deductibles have caused people to be more financially responsible, so they get their bills and say, 'someone must have messed something up because how could I owe this much money?'" Carson said.

To head off that problem, he said, the hospital network has begun using software to estimate patients' out-of-pocket costs before they access care.

"The whole goal is to set the expectation on the front end, so they're aware of what they're going to owe," he said. "And then we can work with them more efficiently on how they're going to pay that bill."

For Graham, the senior director of revenue cycle at MetroHealth, it requires constant vigilance to identify and inform patients facing financial distress.

The hospital uses everything from brochures to in-person visits to churches and other community groups to educate people about the financial resources available to them. MetroHealth also works with patients directly to help them select an insurance plan tailored to their medical needs.

"We try to remove any barriers they're facing," Graham said, adding that reaching out to patients first is crucial to heading off more severe medical problems. "It allows everybody to be open and engaged, so we can agree on that needs to be done."