

The Columbus Dispatch

Pinched by deductibles, some forgo medical care

Written by: Ben Sutherly, November 22

Christina Heath manages a branch of a medical-equipment firm. Her husband, Thomas, works in information-technology security for a local company.

Despite those two good jobs, the Grove City woman has been putting off an MRI and back surgery for two years, citing the anticipated price tag: more than \$6,000.

“They’ve already told me that it’s getting worse, not better,” Mrs. Heath, 53, said of her back. “I’ve got to get this done, but I just don’t know where I’m going to come up with \$6,000.”

The family’s employer-sponsored health coverage has a \$6,000 annual deductible. They have four sons, including a 13-year-old and 15-year-old at home, but the family might sell their second car and use that money to pay for her scan and surgery.

Her husband’s employer deposits \$1,200 in the family’s health-savings account each year, but that money helps cover her husband’s prescription-drug costs.

“Even with a good income, we struggle,” Mrs. Heath said.

High deductibles and other out-of-pocket health costs have put more families — many of them solidly middle-class — on a financial tightrope, limiting their access to care.

Research by Families USA this year found that nearly 30 percent of adults with deductibles of at least \$1,500 per person decided to forgo needed medical care because they could not afford it.

By comparison, for those with deductibles below \$1,500 per person, 20 percent went without needed medical care because of the cost.

Nationwide, deductibles have risen about seven times as fast as wages and inflation since 2010, according to a recent report by the Kaiser Family Foundation and the Health Research & Educational Trust.

The problem has particular resonance in Ohio, where some 842,000 people were enrolled this year in high-deductible health plans coupled with a health-savings account — the fourth-highest total in the nation, according to an annual census by America’s Health Insurance Plans.

“We’re seeing a lot of \$5,000 deductibles” and even \$10,000 deductibles for some patients, said Debra Lowe, administrative director of revenue cycle at Ohio State University’s Wexner Medical Center.



Christina Heath, 53, says she has put off having an MRI and back surgery for two years because she can’t pay the \$6,000 deductible that is part of her family’s medical-insurance plan. Eventually, the Grove City woman said, she might have to sell her car to cover the health care she needs.

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Much of the coverage now being sold in Ohio through the federally run health-insurance marketplace carries a high deductible; 43 of the 75 plans offered to central Ohioans through the exchange have a deductible of at least \$3,000, according to a Dispatch analysis.

But in many cases, Lowe said, patients with very high deductibles get their coverage through a job.

“That’s been a big surprise to everybody,” Lowe said. “The last two years have been the watershed years for increasing the deductible.”

Ohio State plans to beef up its front-end financial counseling to give patients a better idea of what their out-of-pocket costs will be, Lowe said.

The Affordable Care Act anticipated the financial pressures created by high deductibles and co-insurance, said Matthew Byrne, spokesman for the Columbus Association of Health Underwriters and president of MyHealthQuoter.com in Dublin.

Consumers with qualifying incomes not only get assistance with premiums in the form of tax credits, but they also can get subsidies from the federal government to help them pay deductibles and other out-of-pocket expenses for plans purchased through the government-run marketplace.

Open enrollment for 2016 marketplace plans runs Nov. 1 through Jan. 31.

But that cost-sharing assistance is available only to consumers whose household incomes are between 100 percent and 250 percent of the federal poverty level. In fact, it makes a significant difference only for those whose incomes are below 200 percent of that threshold — currently \$23,540 for an individual and \$48,500 for a family of four.

For those who earn more, there’s no relief, Byrne said.

The Affordable Care Act helped many consumers by forbidding insurers from denying coverage based on a person’s health condition. With that guarantee of coverage also came a prescribed minimum set of essential health benefits, Byrne said.

“All of this made for better coverage, and with that came some higher price tags,” he said.

But the subsidies for consumers need to be strengthened, said Cathy Levine, executive director of the consumer-advocacy organization Universal Health Care Action Network of Ohio.

“The (current) cost-sharing assistance, coupled with benefit design, is not adequate to protect people who have more than minimal health needs,” Levine said. “This is of particular concern for people who have chronic conditions who need more than an annual wellness exam.”

When it comes to deductibles, she said, “\$3,000 might as well be \$1 million for low-income working people.”

More generous cost-sharing, however, likely would lead to higher costs. Premium tax credits and cost-sharing subsidies already are expected to cost the federal government \$28 billion this year, according to the Congressional Budget Office.

Some officials say one fix for the Affordable Care Act would be “value-based insurance design,” which ensures consumers have access to services that provide the biggest bang for the health-care dollar before they meet their full deductible.

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Gov. John Kasich's Office of Health Transformation has a goal to have 80 percent of Ohioans in some value-based payment model within a few years.

Such plans are meant to "make sure people can manage chronic illness before it becomes an emergency," said Cheryl Fish-Parcham, private insurance program director for Families USA and a co-author of its report on the impact of high deductibles.

She and Byrne said consumers daunted by high deductibles shouldn't lose sight of the value of having health insurance. In addition to providing some protection in cases of catastrophic health-care costs, such coverage provides access to many preventative services that come at no further cost to consumers paying premiums.

And having insurance gives consumers access to a health-insurance company's purchasing power and negotiated discounts.

"It's like being a part of Costco," Byrne said.

Levine said health-care costs are too high in the first place, citing estimates that one-third of U.S. health-care spending produces no value or even causes harm.

"The fact that health care costs so much in this country is an international embarrassment," Levine said. "Our hospitals are building fancy towers to provide surgery and other treatment that could be prevented if we invested more in prevention and population health.

"We're spending money in all the wrong places."