

Materials on affordability

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1. [What is “Affordable” Health Care?: A Review of Concepts to Guide Policymakers, United States of Care \(Nov. 2018\)](#)

Measures affordability with three economic measures: a normative definition (what a household can afford to pay), a behavioral definition (what people actually purchase), and a budget-based approach (how much families can afford after paying for other necessities).

Examines affordability as a budget issue for individuals and families (including, for example, the percent of people who have problems paying medical bills by household income).

Outlines the following considerations for policymakers: cost of care versus cost of insurance; fairly distributing costs; consumers’ most salient affordability concerns; addressing the root causes of financial barriers to care; and considering the differential impact on stakeholders. Urges policymakers to consider how cost burdens are distributed across socioeconomic strata and health status.

2. [Diana Pearce, The Self-Sufficiency Standard for Washington State, http://www.selfsufficiencystandard.org/node/86](http://www.selfsufficiencystandard.org/node/86) (including a 2017 report and the 2020 Self-Sufficiency Standard Table)

The Self-Sufficiency Standard measures income adequacy based on the costs of basic needs such as housing, childcare, food, health care, transportation, as well as taxes. It presents an alternative measure to federal poverty guidelines, which are set at a level that is far below what is minimally needed to meet a family’s basic needs.

3. [Audrey Morse Gasteier, Emily Brice, and Marissa Woltmann, Why Massachusetts Stands Out in Marketplace Premium Affordability, Health Affairs \(Sept. 4, 2018\)](#)

Massachusetts had the lowest average premiums of any marketplace in the country for 2017 and 2018. These low premiums benefit not only the quarter million Massachusetts residents receiving subsidies, but the broader market as well. Massachusetts’s success at keeping Health Connector premiums low is a function of careful state-level policy choices and program design approaches. The low cost of coverage is notable because Massachusetts is a higher cost medical state, has a robust benefit package, and uses Standard Plan designs that emphasize cost-sharing affordability.

In its Connector Care program for individuals up to 300% FPL provides additional state subsidies to lower-cost silver plans. Enrollees have access to zero or low-dollar premium plans, zero or low-dollar co-pays, and no deductibles or co-insurance.

However, this article points out that there continue to be affordability issues in Massachusetts: **Center for Health Information and Analysis, [Affordability Issues Persist Despite Near Universal Health Insurance Coverage](#) (Apr. 2019)**

4. Covered California, [Options to Improve Affordability in California's Individual Health Insurance Market](#) (Feb. 1, 2019)

This report from Covered California, with input from a stakeholder workgroup and academic experts, identifies affordability challenges, as well as potential options to improve affordability in the individual market across a range of income levels.

For low- and middle-income residents who are uninsured but eligible for premium tax credits, affordability is the top reason they lack insurance. Approximately 40% of people enrolled in coverage through Covered California have difficulty paying premiums. Challenges with paying premiums and out-of-pocket costs can lead to lower utilization. Nearly 25% of enrollees reported delaying or avoiding medical care due to cost.

The report suggests two categories of policy options: (1) comprehensive market-wide affordability enhancements (enhancing and extending premium and cost-sharing support, potentially paired with an individual mandate penalty and reinsurance); and (2) targeted affordability enhancements (more discrete options within specific income groups).

5. Laurel Lucia & Ken Jacobs, [Towards Universal Health Coverage: California Policy Options for Improving Individual Market Affordability and Enrollment](#), UC Berkeley Labor Center (Mar. 5, 2018)

Despite the success of California in lowering the number of uninsured individuals, many Californians still face challenges in affording premium and out of pocket health care costs. This article applies family budget analysis to affordability in California, including geographic variation, as well as other data to evaluate the affordability challenges for the 2.3 million Californians who purchase private insurance individually and for many of the 1.2 million Californians who are eligible to purchase insurance through Covered California but remain uninsured. It then presents options to increase affordability of individual market premiums and out-of-pocket costs.

6. Michael Miller & Nina Oishi, Community Catalyst, [Health Care Affordability and COVID-19](#) (May 2020)

Despite the progress in affordable health care as a result of the ACA, the Covid 19 crisis has highlighted the fact that millions of Americans are still unable to afford health coverage and care. Among those who have struggled with a medical bill in the past year, including both the

insured and uninsured, one-third report having been unable to pay for necessities like housing, heat, or food as a result.

The article includes recommendations to improve affordability on a national level are aimed at Congress. One important point made is that in metropolitan areas, costs of living are much higher than elsewhere as a percentage of the FPL (calling out Seattle at 290% FPL). It has extensive footnotes that may be helpful in looking at affordability of insurance, including discussions of a couple of family budget measures (FN25).

7. Drew Altman, [The biggest health issue we aren't debating](#) (Nov. 22, 2017)

High deductible plans are a good deal for some middle and upper income people, but many lower and moderate income Americans do not have the \$1,500 to \$3,000 required by a high deductible plan to pay for necessary medical treatment.

More than four in 10 households with private coverage and incomes between 150% and 400% of the federal poverty line (FPL) do not have enough liquid assets to cover a deductible of \$1,500 for single people and \$3,000 for families. Ninety percent of insured households with incomes of 400% of poverty or more could meet a typical employer insurance deductible, but just 37% of lower income household with incomes under 150% of the FPL could.

For many individuals and families, even with insurance, any significant illness could wipe out their savings, making it impossible to pay for necessities.

8. Drew Altman, [Coronavirus' unequal economic toll](#), Axios (May 29, 2020)

Although the government relief programs are helpful to many, the pandemic has highlighted the need for more aid and better targeting to the families that need it most. 31% of Americans say they have experienced problems paying for housing, food, utilities, credit card bills or medical costs as a result of the coronavirus. 45% of black adults and 39% of Latinos say they have either skipped meals or relied on charity or government food programs such as SNAP since February, compared with just 18% of white adults.

9. Commonwealth Fund, [Who are the Remaining Uninsured, and Why Do They Lack Coverage?](#) (Aug. 2019)

Report on data from the 2018 Commonwealth Fund Biennial Health Insurance Survey, including questions on affordability. In 2018, an estimated 30.4 million U.S. residents were uninsured, up from a low of 28.6 million in 2016. Uninsured, working age adults were disproportionately low-income, Latino, and under age 35. More than one-third of the uninsured were Latino. Across age groups, young adults ages 19 to 34 made up the largest share of the uninsured.

47% of uninsured adults in 2018 had incomes that may have made them eligible for either expanded Medicaid or subsidized marketplace plans. The remainder of uninsured adults would not qualify either due to income, citizenship, or region.

67% of uninsured adults did not try to get health insurance through the marketplace stating that they did not think they could afford it (36%); they did not think they needed it (15%); they did not think they would be eligible for it (8%); or they were not aware of the marketplace (7%).

34% of adults who were either uninsured at the time of the survey or had a gap in coverage in the past 12 months, and who were previously covered by either a plan they bought through the marketplace or directly from an insurance company, reported they lost or dropped their plan because they could not afford it.

Policy suggestions to address these issues include the following: expanding Medicaid without restrictions; lifting the 400% FPL cap on eligibility for marketplace tax credits; implementing state or federal reinsurance; reinstating outreach and navigator funding for the 2020 open-enrollment period; banning or limiting short-term health plans and other insurance that doesn't comply with the ACA; making premium contributions for individual market plans fully tax deductible; fixing the so-called family coverage glitch; informing people about their options; reducing churn in Medicaid; and extending the marketplace open-enrollment period.

10. Melissa Majerol, Jennifer Tolbert, and Anthony Damico, [Health Care Spending Among Low-Income Households with and without Medicaid](#), The Kaiser Commission on Medicaid and the Uninsured (Feb. 4, 2016)

This article demonstrates the hardship of premiums and cost-sharing for very low income individuals. Using data from the 2014 Consumer Expenditure Survey, the article examines the impact of insurance on health care spending and budgets of households with income below 138% FPL, comparing health care spending among households covered by Medicaid and households in which members are privately insured or uninsured. The majority of spending among low income households is devoted to housing, transportation, and food and often spending exceeds income. Health care costs can either limit spending on other necessities or cause the household to go further into debt. Low-income households with private insurance spend nearly 6% of household budgets on premiums alone.

11. Center for Health Information and Analysis, [Affordability Issues Persist Despite Near Universal Health Insurance Coverage](#) (Apr. 2019)

12. Linda Blumberg et al, [How Much Do Marketplace and Other Nongroup Enrollees Spend on Health Care Relative to Their Incomes?](#) (Dec. 2015)

13. HealthySF, [Our Health Access Program: Annual Report](#) (Fiscal Year 2016-17) (Dec. 2017)