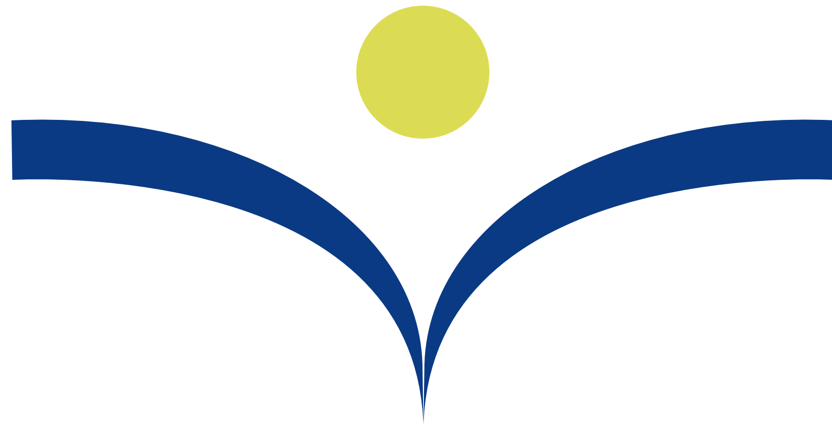

Paying for Health Care When You're Uninsured:

How Much Support Does the Safety Net Offer?

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The Access Project sponsored the Community Access Monitoring Survey (CAMS) on which this report is based.

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About The Access Project

The Access Project is a program of the Center for Community Health Research and Action of the Heller School for Social Policy and Management at Brandeis University. It has served as a resource center for local communities working to improve health and healthcare access since 1998. The project receives its funding from a variety of public and private sources.

The mission of The Access Project is to strengthen community action, promote social change, and improve health, especially for those who are most vulnerable. The Access Project conducts community action research in conjunction with local leaders to improve the quality of relevant information needed to change the health system. It seeks to enhance the knowledge and skills of community leaders to strengthen the voice of underserved communities in the public and private policy discussions that directly affect them.

If you have any questions or would like to learn more about our work, please contact us.

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Executive Summary

According to the most recent census figures, over 41 million people in the United States — nearly 15 percent of the population — are uninsured. This number is expected to grow. Rising health care costs are leading some employers to shift more of the costs of insurance premiums to employees, making coverage unaffordable for some; other employers may stop offering coverage altogether. At the same time, the current economic downturn is causing people to lose coverage when they lose their jobs, just when many states, facing serious budget deficits, are reducing funding for public insurance programs. Much research documents that lack of insurance reduces access to care: for example, the uninsured are more likely to delay or not receive needed care.

While some attention has been paid to the cost to health care institutions of providing care for the uninsured, less has been focused on the cost to the uninsured themselves, although research indicates that the financial consequences of getting care can be severe. A recent national survey found that more than one-quarter of families in which one or more members were uninsured had to "change their way of life significantly" to pay medical bills; this figure rose to 40 percent when all family members were uninsured.

To obtain needed treatment, the uninsured often rely on local "safety-net" institutions — hospitals and clinics that treat a large proportion of Medicaid and uninsured patients. Many people assume that the uninsured can always get needed care at these facilities, and that this care is free. However, a recent survey of public hospitals showed that most, in the face of financial pressures, have instituted cost sharing plans, and almost 1 of 5 did not offer reduced rates to the uninsured.

This report presents findings from a survey conducted between May and August of 2000 on the experiences of uninsured individuals in trying to pay for their medical care and prescription medications at primarily safety-net hospitals and health centers. The sample included 6,884 respondents who received ambulatory (outpatient) health care at local facilities in the previous year, while uninsured. The facilities were located in urban/suburban or rural communities in 18 states. The findings indicate that uninsured people face serious financial barriers to obtaining care, even at safety-net facilities, and are often burdened with debts as a result of obtaining care. Moreover, these debts may deter them from seeking future care.

> *"I haven't worked since I had open heart surgery. I just filed for bankruptcy."*

> *"It is difficult to pay. That is why I try to stay away from the hospital."*

KEY FINDINGS

- Three of five respondents reported needing help paying their medical bills. The need for help was highest among respondents using hospital emergency rooms (ERs), or ERs and hospital outpatient departments (OPDs).
- Fifty-six percent of respondents prescribed medications reported they needed help to pay for the medications. ER and hospital OPD patients

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from rural areas — between two-thirds and three-quarters — were the most likely to need help.

- Thirteen percent of respondents reported obtaining none or only some of their medications because of cost. Among respondents who received care in a rural hospital ER, or rural ER and OPD, nearly three in ten said they did not get all of their medications due to cost.

"It is difficult but you pay what you can. Then the bills start stacking up."

- While only 3 of 10 respondents said staff "always" offered to look into possible assistance for them, nearly half — 48 percent — said staff "never" offered such help. Respondents who used an urban/suburban hospital ER — 7 of 10 — were most likely to say staff never offered to find out if financial assistance was available.

- When financial assistance was offered, it was most often an offer to allow payment of the full bill in installments (32%), as opposed to discounting (12%) or waiving (13%) the bill.

- Nearly half of all respondents — 46 percent — reported having unpaid bills or being in debt to the facility where they received care. Respondents who used a hospital ER, or ER and OPD, were most likely — about 2 of 3 — to report being in debt to their facility.

- Staff offers of assistance made a difference; the more often that staff offered to find out about financial assistance, the less likely that respondents reported being in debt to the facility.

"I am scared to go back because I owe a lot."

- About one-quarter (24%) of respondents with unpaid medical bills said their debts would deter them from seeking care at the same facility in the future, with responses varying little by the setting of care or geographic location.

IMPLICATIONS AND RECOMMENDATIONS

This study contradicts a common belief that the uninsured can always get care when they need it — and do so for free. Substantial proportions of respondents in all settings had difficulty paying for care, and nearly half went into debt in order to obtain care. Federal, state, and local governments need to consider comprehensive ways of ensuring affordable care for all, such as expanding public health insurance programs and adequately funding safety-net institutions. Unfortunately, in the near future there is likely to be less funding rather than more to spend on health care for the poor and uninsured. In this environment, incremental responses to alleviating the financial burdens of the uninsured need to be explored.

Improve Systems of Financial Screening and Counseling of Uninsured Patients A significant portion of uninsured respondents reported that facility staff did not offer to find out about financial options to help them pay for their medical care. At the same time, receipt of such assistance was associated with a reduced likelihood of becoming indebted to the facility where care was obtained. Health care providers need to implement systems that ensure that patients without insurance consistently get information about financial assistance programs they may be eligible for, such as public insurance and hospital charity care programs. In addition, programs and policies for the uninsured that set limits on cost-sharing based on patient incomes may need to be expanded.

"They did not provide any information about receiving any form of assistance."

Ensure That Systems for Financial Screening and Counseling Include Uninsured Emergency Room Patients Uninsured people seen in hospital ERs were least likely to be asked about the need for financial assistance in paying for care, and the most likely to be in debt to their facilities. Hospitals must pay special attention to ensuring that ER patients without insurance are informed about financial assistance programs they might be eligible for.

Include Uninsured Emergency Room Patients in Drug Assistance Programs Along with having less access to information about programs to pay for medical care, uninsured people seen in ERs, and especially in rural ERs, were much more likely to need help paying for prescriptions and to obtain none or only some of their medications than those who used hospital OPDs or health centers. Hospitals should make certain that ER patients have the same access to pharmacy assistance programs as uninsured patients who are seen in other ambulatory care settings.

"We were paying what we could afford each month faithfully, $50 to $75. But the hospital told us if we couldn't pay the whole bill in six months, we'd be turned over to a collection agency.... We have $16,000 of medical bills...."

Address the Special Barriers Faced by Uninsured Patients Who Receive Care in Rural Facilities Respondents who received care in rural facilities were more likely than those who obtained care in urban/suburban settings to report needing help paying for medical care and prescription drugs. In hospital ambulatory settings, rural respondents were more likely to be offered financial help than urban/suburban respondents, yet they were equally likely to be in debt to a facility. The findings may reflect greater neediness among rural respondents and/or fewer resources available to rural facilities. In any case, the uninsured in rural areas may require special assistance to ensure their access to affordable care.