

## Underinsurance in America: Financial Barriers to Health Care

While the vast majority of United States residents have health insurance (through employers, on their own, or through government-run Medicare and Medicaid plans), 41 million of these insured individuals cannot afford prescribed or recommended care. They cannot afford the out-of-pocket and copayment costs for doctor's visits, tests, medications, surgeries and needed medical supplies.

When health insurance coverage is inadequate, significant costs fall on people's shoulders for premiums, deductibles, copayments and other expenses insurance doesn't cover. These costs can create true financial hardships and lead to significant debt for individuals and families struggling to get by.

### What Does It Mean to Be Underinsured?

For some individuals and families, especially those dealing with chronic illnesses, out-of-pocket medical expenses can total thousands of dollars each month — much more than most people earn.

A person is considered underinsured if out-of-pocket health care costs exceed ten percent of their income (five percent when income is less than 200 percent of the federal poverty level, which is \$25,200 for an individual and \$49,200 for a family of four), or if one's insurance deductible is more than five percent of their income.

In a 2017 [report](#) published by the Henry J. Kaiser Family Foundation (KFF), four in ten (43 percent) adults with health insurance say they have difficulty affording their deductible, and roughly a third say they have trouble affording their premiums and other cost sharing. Three in ten (29 percent) Americans report problems paying medical bills (with 45 percent of those surveyed saying they would have difficulty paying a surprise medical bill of \$500), and 73 percent of those reporting such problems have cut back spending on food, clothing or basic household items.

Medical bill problems have long-term financial consequences, including exhausting one's savings to pay medical bills, receiving a lower credit rating, taking on credit card debt and even declaring bankruptcy. In 2015, nearly a quarter (23.8 percent) of nonelderly adults in the U.S. [reported](#) past-due medical debt, according to the Urban Institute.

More importantly, medical bill problems have serious health consequences as well. The KFF [report](#) found that Americans have delayed or skipped care due to costs. Nearly a third (27 percent) have put off or postponed getting health care they needed. Nearly a quarter (23 percent) have skipped a recommended medical test or treatment, and a fifth of Americans (21 percent) have not filled a prescription for a medicine.

## Medicare & Cancer Patients Especially Struggle with Underinsurance

According to a [study](#) conducted by the Commonwealth Fund, more than one-quarter (27 percent) of all Medicare beneficiaries — an estimated 15 million elderly and disabled people — spent 20 percent or more of their household income on out-of-pocket medical expenses and monthly premiums in 2016. Such high cost burdens are even more prevalent among those with low incomes, affecting 40 percent of beneficiaries with annual incomes below 200 percent of the federal poverty level. They also are more prevalent among Medicare beneficiaries with multiple chronic conditions or functional limitations. Nearly one-third (29 percent) of Medicare beneficiaries with three or more chronic conditions and 38 percent of beneficiaries with physical and/or cognitive limitations spent 20 percent or more of their annual incomes on premiums and medical care.

Cancer patients also struggle with high medical costs. An estimated 19 million people in the U.S. will be living with cancer by 2024, with more than 1.6 million new cases diagnosed annually, according to the [National Cancer Institute](#). Some [experts estimate](#) typical out-of-pocket expenses for cancer patients of \$20,000-\$30,000 a year, nearly half of the average household income in the United States.

A 2017 [study](#) found that 31.6 percent of recently diagnosed cancer patients and 27.9 percent of previously diagnosed cancer survivors reported changing their prescription drug use for financial reasons, by skipping medication doses, taking less medicine, delaying filling a prescription, asking a doctor for lower cost medication, buying prescriptions from another country and using alternative therapies.

As an example of the impact of cancer care copayments, consider chronic myeloid leukemia (CML), a disease that an [estimated 100,000 Americans](#) have with [8,950 new cases](#) diagnosed in 2017. The average cost of treating CML is about [\\$146,000 per year](#), making it hard for even those with private insurance to meet the cost of their copayment. A 2013 [study](#) published in the *Journal of Clinical Oncology* found that patients with higher copayments for the most effective CML treatment — tyrosine kinase inhibitor (TKI) — were 42 percent more likely to not adhere to their daily medication regimen. Another [study](#) found that only 68 percent of Medicare beneficiaries with chronic myeloid leukemia initiated TKI therapy within six months of diagnosis.

## How Can the Underinsured Get Financial Help?

There are several resources to which underinsured Americans can turn for financial assistance in paying their medical bills.

For individuals who can **choose their health care plans**, there are a variety of resources available to aid in the decision-making process. Resources such as [Healthcare.gov](https://www.healthcare.gov) provide valuable information about updating and changing plans, getting coverage, Medicare, Medicaid and CHIP.

Some **biopharmaceutical companies** offer patient assistance programs providing free or discounted medications for low-to-moderate income underinsured individuals who meet certain guidelines.

Many **states offer programs** that help those in need obtain their medications. These programs are typically funded by tax dollars or other state-sanctioned means, and programs vary from state to state.

**Patient advocacy groups** may provide counseling, support groups, education and financial assistance, including copayment and insurance premium assistance, to patients suffering from specific diseases or a range of diseases.

**Disease-based assistance programs** help with costs associated with care for specific diseases or type of diseases. They may cover many types of expenses, including prescription drugs, insurance copayments, office visits, transportation, nutritional supplements, medical supplies and child or respite care. Typically funded by either private or government organizations, some of these programs are national in scope, while others are limited to people in specific states.

**Charitable patient assistance organizations**, such as the HealthWell Foundation, focus on copayment assistance and total patient care for a variety of disease treatments. HealthWell requires the same eligibility requirements for all of its disease funds:

- Income at or below 400%-500% of the federal poverty level, adjusted for household size and cost of living areas.
- Patient must have insurance and it must cover the product for which they are seeking assistance.
- Treatment must be received in the United States.
- Patient diagnosis must fall under one of the disease state funds HealthWell is currently/actively operating.

Since its founding in 2003, HealthWell has provided a financial lifeline to more than 320,000 underinsured Americans.

While the health care landscape is constantly changing, one thing remains near-certain: many people with chronic and life-altering medical conditions will continue to struggle with their cost-sharing obligations for needed treatments. These individuals are the underinsured, and HealthWell remains committed to serving them.