

CONSEQUENCES • HEALTH CARE

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IMPACT ON ALICE

What do families do if they cannot afford health care?

For many ALICE households, doctor visits and medications are prohibitively expensive. Low-income families face problems with the cost of care and also with access to care, including long distances to providers, language and cultural barriers, transportation challenges, difficulty navigating health care systems, and difficulty making work and child care arrangements to accommodate health care appointments.⁸ Because these families have limited choices for accessing the care they need, they may try to:

▼ Go Without Regular Care

ALICE families that can't afford health care sometimes delay or go without regular care, including preventative services (checkups, vaccinations, and screenings), dental care (exams and cleanings), and mental health services.

Preventative Care

Young children below the Federal Poverty Level (FPL) are less likely than those in higher-income families to receive scheduled vaccines, and low-income adults are 14 to 26 percent less likely to receive cervical, breast, and prostate cancer screenings.⁹

Dental Care

Half of adults and 60 percent of seniors with income below 200 percent of the FPL did not visit a dentist in 2016, and one in four uninsured adults who needed dental care went without due to cost.¹⁰



Consequences



School and work absences: Delaying or forgoing care can reduce school and work attendance and decrease quality of life. Health issues account for:



- Half or more of all school absences, with asthma and poor oral health being the leading causes
- One-third of unscheduled absences from work, resulting in lost wages for employees and reduced productivity for employers¹¹

More serious health problems: When health issues go untreated, they become more serious and can lead to additional health problems, including life-threatening illnesses and even death.¹² For example, poor oral health causes pain, can result in poor nutrition, and increases the risk for diabetes, heart disease, and poor birth outcomes.¹³

Mental Illness in Children and Teens

Untreated mental illness in children and teens has severe social and educational consequences:¹⁴

50% - Share of children with a mental illness who received treatment in 2017

37% - Share of students with mental health conditions at age 14 who drop out of school

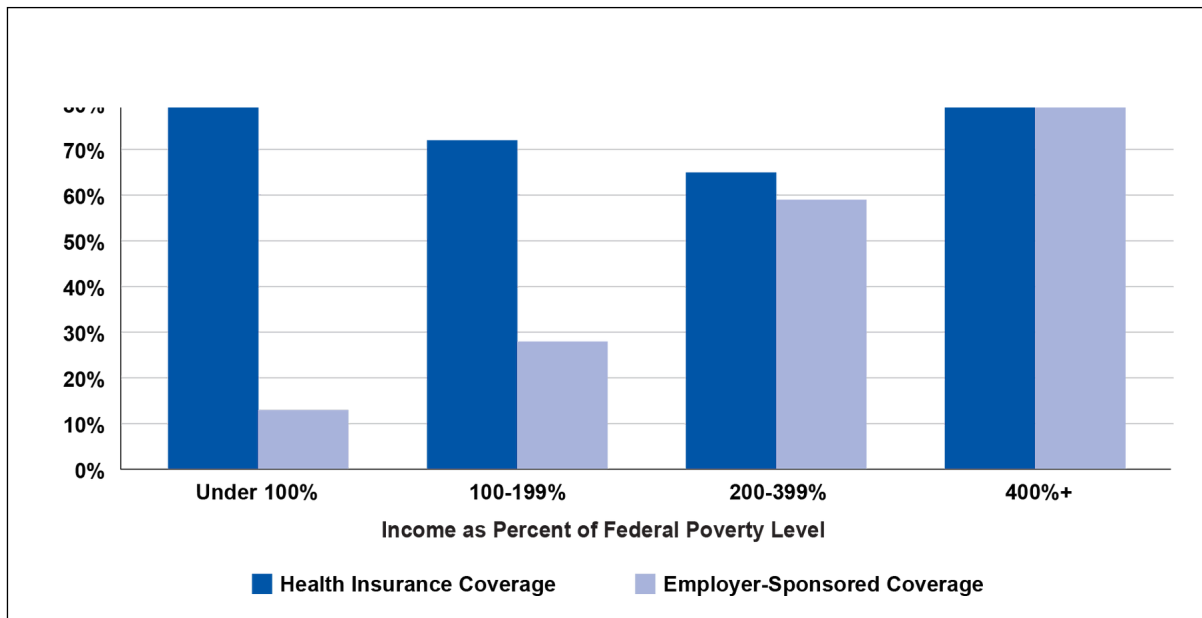
70% - Share of youth in the juvenile justice system who have a mental illness

▼ Find Affordable Insurance Coverage

ALICE families often have trouble finding or affording health insurance coverage, sometimes winding up with inadequate insurance or no coverage at all.

- Getting insurance through an employer is often the best option, but many lower-wage jobs where ALICE works — especially in the service industry — do not offer health insurance.¹⁵
- Lower-cost Marketplace health plans have been available since 2014 through the ACA, but the plans that ALICE families can afford often have minimal coverage and high deductibles.
- Medicaid provides free health care coverage for many households in poverty, but many ALICE families earn too much to qualify at their state's eligibility levels.¹⁶ And some households — 2.5 million uninsured adults in non-Medicaid-expansion states — have income above current Medicaid eligibility but below the lower limit for Marketplace premium tax credits. In addition, 25 percent of those eligible for Medicaid/CHIP nationwide were still not enrolled as of 2017.¹⁷

Percent of Workers With Insurance and Employer-Sponsored Insurance, by Income, U.S., 2017



Source: Kaiser Family Foundation. (2017). *State health facts: Employer-sponsored coverage rates for the nonelderly by Federal Poverty Level (FPL)*.



Consequences

Lower rates of using care: Lower-cost health insurance plans generally come with higher deductibles, which in turn, are associated with lower use of primary care services. People with deductibles greater than 5 percent of their income are less likely to use preventative care than households with lower deductibles.¹⁸

Paying more for employer plans than for Marketplace plans: ALICE workers in lower-wage jobs with health insurance coverage may actually pay more for that coverage than they would buying coverage on their own in the ACA Marketplace.¹⁹

Medical debt: Even with insurance, not all medical expenses are covered, and many plans have spending limits. Medical debt is a widespread problem and leads to additional financial challenges as well as barriers to accessing further health care. More than half of underinsured people — those that spend more than 10 percent of their household income per year on health care expenses not covered by their insurance — reported having had a medical bill or debt problem in the last year.²⁰ For those with chronic conditions, the likelihood and amount of medical debt increases significantly.²¹

Difficult employment decisions: Many people — especially workers with a major illness in the family — weigh the value of insurance coverage against work opportunities like career advancement and improved working conditions. Workers with Medicaid, especially those close to the eligibility limit, may forgo additional work hours or higher-paying jobs in order to keep their Medicaid coverage.²²

UNDERINSURED HOUSEHOLDS

Since 2010, there has been a rise in the number of underinsured households. Many ALICE households choose the lowest-cost insurance option — plans with high deductibles and limited coverage options.²³ Even ALICE families covered by Medicare or Medicaid often lack specialty coverage like dental or vision care.²⁴

▼ Provide Caregiving for a Family Member

Nationwide, over 40 million people provide unpaid care for a loved one who is ill, frail, or has a physical or mental disability.²⁵ This is one way of saving money, especially given the high costs of institutions such as assisted living facilities. However, such care can end up taking a physical, mental, and financial toll on caregivers.



Consequences

Family caregiving has significant value; the presence of an informal caregiver (such as a relative or friend) can improve well-being and recovery and defray medical care and institutionalization costs. Yet caregiving is costly for families in several ways:

Added direct costs: Almost 80 percent of caregivers incurred out-of-pocket costs related to caregiving, spending, on average, about \$7,000 a year in 2016. In the same year, caregivers spent almost 20 percent of their income on caregiving, with household expenses and medical expenses accounting for the largest share of these costs. Caregivers report dipping into savings, cutting back on personal spending, saving less for retirement, or taking out loans to make ends meet.²⁷

Lost income due to decreased hours or loss of a job: For the 60 percent of caregivers who are working, caregiving takes time away from employment. Over half (56 percent) of working caregivers report work-related strain from caregiving, including working different or fewer hours and taking time off.²⁸

Emotional and physical strain on the caregiver: Almost 20 percent of caregivers report a high level of

ALICE CAREGIVERS

While families may choose to care for family members themselves, many ALICE caregivers assume the role because they cannot afford to hire outside care. Half of caregivers report that they had no choice in taking on their caregiving responsibilities, and almost half (47 percent) report household income of less than \$50,000 per year.²⁶

COST OF CAREGIVING

For women, who are more likely to be caregivers, the estimated lifetime cost of caregiving in terms of lost wages and retirement benefits is \$324,044 per person.³⁰

physical strain resulting from caregiving, and 38 percent consider their caregiving situation to be emotionally stressful. These challenges can increase depending on the patient's illness and its severity, as well as the resources available to the caregiver.²⁹

▼ Move to a Healthier Community

When it comes to health, where we live matters. In a large-scale study of the health of nearly 45 million people in the U.S., researchers found that over 25 percent of diseases included in the study were influenced primarily by the environment in which people live.³² Social and economic factors (like education, employment, income, and community safety); characteristics of the physical environment (including housing and air/water quality); and proximity to care all affect health outcomes.³³



Consequences



Less money for other household necessities:

Neighborhoods with characteristics known to promote health — well-maintained housing, bike lanes and sidewalks, access to healthy food and recreation areas, low crime, higher-performing schools, clean water and air, and accessible health care providers — also tend to have the highest cost of living across multiple areas (housing costs, taxes, food prices, etc.).³⁴ ALICE families who pay more to live in such communities will face tough choices in other budget areas, or be forced to borrow to make ends meet.



Residential discrimination: Many low-income households, households of color, same-sex couples and transgender people, and people with disabilities still experience discrimination when trying to move into more affluent communities, especially when they are viewed as different from the average resident. As a result, the cost of a housing search often increases for these families, and their housing options may be limited to the least desirable in the neighborhood.³⁵

Decrease in social support: When families relocate to new communities, they may be leaving their social support network behind. Social support protects people against physical and mental health risks; without it, people are at an increased risk of poor health — including being more likely to experience stress and to engage in unhealthy behaviors like smoking or overeating.³⁶

ENVIRONMENT AND HEALTH

For low-income families in particular, moving to higher-income communities can improve health — especially mental health for young people. Yet ALICE families often have difficulty relocating to — or thriving in — higher-income communities.³¹

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Asset Limited, Income Constrained, Employed