



BROADER COSTS OF UNAFFORDABLE HEALTH CARE

When ALICE households forgo or limit health care and insurance, or can't afford to hire caregivers or live in healthier communities, their health and household finances suffer, but there are effects on the broader community as well:

- **Lack of access to quality preventative care increases costs for all.** When regular in-office care is hard to access, families often turn to the emergency room (ER), where the cost of treatment increases significantly for them or, if they cannot pay, for the state. The consequences of greater ER use for the wider community include longer wait times in ERs, as well as increases in health insurance premiums, the cost of charity care, and hospital community assistance.³⁷
- **Dental care moves to the ER.** Dental care ER visits cost the U.S. health care system \$1.6 billion in 2012, at an average cost of \$749 per visit — and up to 79 percent of them could have been diverted to more cost-efficient community settings.³⁸
- **Untreated mental health and substance use issues shift problems to other areas.** These issues increase ER and acute care costs, add to caseloads in the criminal justice system, and increase the costs of helping the homeless and the unemployed. Untreated or improperly treated mental illness also costs employees lost wages for absenteeism, and companies in decreased productivity. One study estimated that the annual cost to employers for mental-health absenteeism ranged from \$10,000 for small organizations to over \$3 million for large organizations.³⁹
- **Health problems increase work absences.** Health issues in general also account for one-third of unscheduled absences from work, resulting in loss of wages for employees and costing employers over \$225 billion annually.⁴⁰
- **The potential for Medicaid to improve community health is limited.** Medicaid expansion makes a difference in health care access (e.g., increased insurance enrollment, affordability of care, and use of services), health care services (e.g., shorter hospital stays), and health outcomes (e.g., improved self-reported health and lower infant mortality).⁴¹ However, because Medicaid does not address the underlying social determinants of health (like housing, transportation, and social support), its ability to significantly improve community health is limited.⁴²
- **Family caregiving exacts a toll on the broader economy.** Family caregiving for seniors costs employers approximately \$13.4 billion in excess health care spending each year on employees who are caregivers, due to the toll that caregiving takes on the caregiver's own health. In addition, the lost productivity due to absenteeism among full- and part-time caregivers costs the U.S. economy more than \$20 billion per year.⁴³

- **Having a significant portion of a population vulnerable to poor health perpetuates the most fundamental forms of inequality.** While life expectancy has increased for Black and low-income people, rates are still below those for wealthy White people, and stark disparities remain. The gap in life expectancy is as much as 30 years between the richest and poorest U.S. counties.⁴⁴

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Asset Limited, Income Constrained, Employed