Report: High-Deductible Health Plans Can Lead to Delays in Care

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High-deductible health insurance plans often lead policyholders to delay seeking care and can create financial hardship in the event of a medical crisis, according to a new report from the UCLA Center for Health Policy Research, the San Bernardino County Sun reports.

High-Deductible Plans in California

High-deductible health insurance plans typically offer low monthly premiums but require higher out-of-pocket spending for health services. For some plans, deductibles are more than $5,000 annually.

Dylan Roby, lead author of the UCLA report, said three million of California's nearly 32 million insured residents were enrolled in high-deductible insurance plans in 2007. He said this number has increased significantly over the past few years because of the economic downturn.

Also in 2007, 28% of Californians enrolled in PPOs reported having deductibles higher than $1,000, according to the report.

Among Californians with annual incomes less than $44,100 for a four-person family or $29,140 for a two-person family, the report noted that high-deductible health plans provided coverage for:

- 32% of commercial PPO enrollees;
- 25% of commercial HMO enrollees; and
- 24% of commercial Kaiser Permanente HMO enrollees.

Delays in Care

According to the report, previous research shows that high levels of cost-sharing can discourage people from seeking necessary and unnecessary medical treatment.

Gina Nicholson, an author of the UCLA report, said 20% of Californians enrolled in commercial PPOs with high deductibles reported delays in seeking care, with half of those individuals citing costs as the reason for the delay.

Lack of Health Savings Accounts

Experts say health savings accounts can improve the affordability of medical care for people with high-deductible health plans. HSAs allow people to set aside tax-deductible funds for medical expenses.

However, the report found that HSAs were not used by:

Changes Under Health Reform

When provisions of the federal health reform law take effect in 2014, out-of-pocket deductibles will be limited to $4,000 for families and $2,000 for individuals. The reform law also provides subsidies to help low-income individuals purchase health coverage.

According to Roby, it will be important to educate consumers about the risks of high-deductible health plans prior to 2014, when all individuals will be required to obtain health coverage (Steinberg, San Bernardino County Sun, 10/27).