



## 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:

- 69% of commercial PPO enrollees with high-deductible plans;
- 77% of commercial HMO enrollees with high-deductible plans; and
- 80% of commercial Kaiser Permanente HMO enrollees with high-deductible plans.

## 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).

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