



BALANCING THE COST OF HEALTHCARE AND OTHER NECESSITIES IN SOUTHEASTERN PENNSYLVANIA January 2014

Healthcare expenses make up a significant proportion of the average individual's budget, with the 2012 average at \$3,556 per consumer¹, as well as a notable chunk of the US Gross Domestic Product, 18% of which can be attributed to healthcare spending.² Healthcare spending rose by 7.3% between 2011 and 2012.³

Medical bills are the biggest cause of personal bankruptcies in the US. A 2013 study analyzed US Census, Centers for Disease Control, federal court system, private foundation data and found that bankruptcies resulting from unpaid medical bills will affect nearly 2 million Americans this year. An additional 56 million adults, or more than 20% of the population age 19-64, will struggle with health-care related bills. This study also found that, to save costs, more than 25 million adults will not take their prescription drugs as indicated (e.g., skipping doses, taking less medicine than prescribed, delaying a refill).⁴

While medical costs impact everyone, the burden of healthcare costs can have a compounding effect for lower income families, the uninsured and others who struggle to pay for daily necessities. The Centers for Disease Control and Prevention note that nationwide adults 18-64 who were uninsured or had public health coverage were twice as likely to have difficulty paying medical bills as were adults with private health insurance.⁵

Using data from the 2012 Southeastern Pennsylvania Household Health Survey, a survey of 10,000 households in Bucks, Chester, Delaware, Montgomery and Philadelphia Counties conducted by PHMC's Center for Data Innovation, this article looks the competing financial needs that many adults in our region face, including paying for healthcare visits, prescriptions, meals and housing.

Many adults in Southeastern Pennsylvania have difficulty paying for necessities including medical care, food and housing.

One in eight SEPA adults (12.5% or about 390,400) have cut a meal's size or skipped a meal altogether due to cost in the past year, and among adults in poverty the risk is much greater, with more than one in three adults in poverty (35.5%) cutting or skipping a meal as compared with 9.4% of adults living above the Federal Poverty Level.

¹ http://www.bls.gov/news.release/archives/cesan_09102013.htm

² <http://www.whitehouse.gov/administration/eop/cea/TheEconomicCaseforHealthCareReform>

³ Bureau of Labor Statistics http://www.bls.gov/news.release/archives/cesan_09102013.htm

⁴ <http://www.cnbc.com/id/100840148>

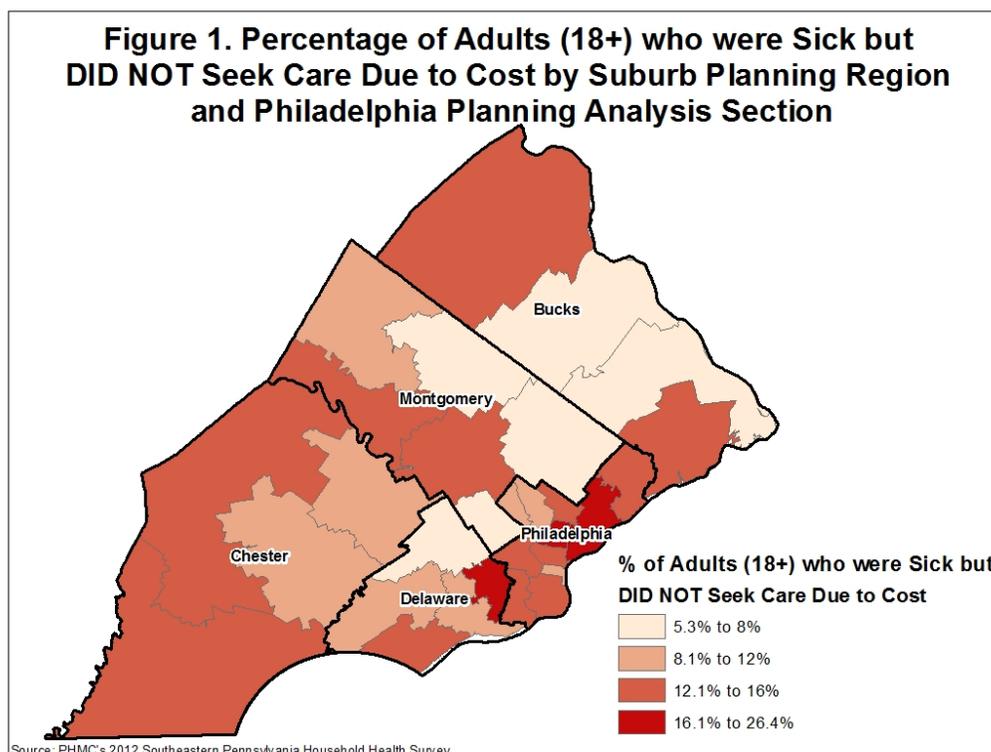
⁵ <http://www.cdc.gov/media/releases/2013/p0604-medical-bills.html>



More than four in ten adults in our region (44.3%) find their monthly housing costs “somewhat difficult” or “very difficult” to afford. That represents 407,300 adults. Seven in ten adults in poverty in SEPA (70.0%) have difficulty paying for housing, as compared with 40.1% of adults not living in poverty.

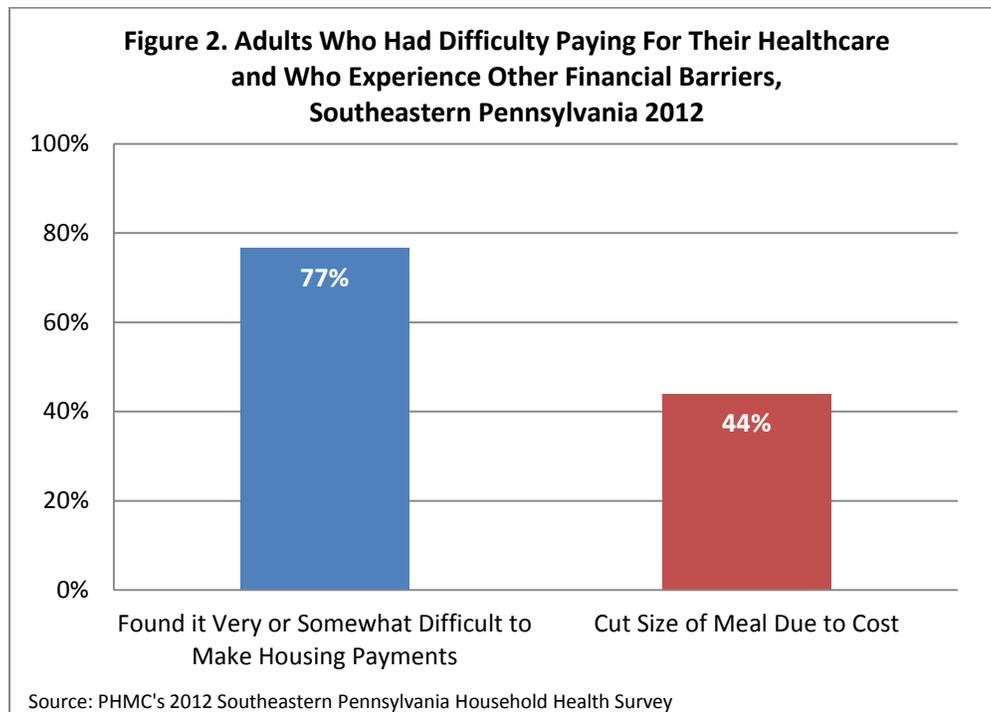
In the five-county area, one in eight adults (12.5%) were sick during the past year but did not seek care due to cost. This represents approximately 389,400 adults. In addition, 14.8% did not receive prescription drugs due to cost. Adults in poverty were about twice as likely to forego care due to cost, with 21.9% of adults in poverty and 11.2% of adults living above the Federal Poverty Level facing cost barriers to care.

Difficulty affording healthcare varies geographically across SEPA. While fewer than 10% of adults have not received necessary care due to the cost in neighborhoods like Center City, Roxborough/Manayunk and Germantown/Chestnut Hill (8.6%, 8.7% and 9.3%, respectively), in the Bridesburg/Kensington/Port Richmond planning district more than one quarter (26.4%) cite cost as a barrier to healthcare, as do about one in five (19.5%) in Upper North Philadelphia. This variation extends to the suburbs as well, where 5.3% of adults face cost barriers in Central Bucks, as compared with 13.6% in Lower Bucks County and 14.2% in Upper Bucks. (Figure 1)



Adults facing one financial hardship often face another. Among adults who had difficulty paying for their healthcare in the past year, three-quarters (76.6%) or about 286,900 adults in our region also described their housing payments as “very difficult” or “somewhat difficult” to make. (Figure 2)

The intersection between difficulty paying for medical care and food insecurity is even more stark. Among adults who do not cite cost as a barrier to healthcare, 8% have cut the size of a meal or skipped a meal due to cost. Among those who have difficulty paying for healthcare, more than four in ten (43.6%) or about 170,000 adults in the five county area have reduced their meals because of money. (Figure 2)



In addition:

- Across SEPA, 12.4% of adults aged 18-64 have no public or private health insurance.
 - More than one-quarter (25.9%) of adults 18-64 living in poverty in our region are uninsured, as are 10.4% of adults living above the Federal Poverty Level.

- In Southeastern Pennsylvania (SEPA) 11.2% of adults have no regular source of care, and this is worse among those living below the Federal Poverty Level.
 - Nearly one in five poor adults, 18.2%, have no regular source of care, as compared with 10.2% of non-poor adults.

- For many adults in our region, getting to a medical appointment can be challenging.
 - Many adults in SEPA (8.3%) have missed a healthcare appointment due to transportation barriers in the past year, representing approximately 258,300 adults.
 - Adults living in poverty are much more likely to face transportation barriers to care, with more than one-quarter, 27.9%, reporting a missed appointment due to transportation, as compared with 5.6% of adults living above the Federal Poverty Level.
 - Among the very poor, those living below 50% of the Federal Poverty Level, about one-third (32.0%) were unable to get to an appointment due to transportation.

Across our region, many individuals and families struggle to afford basic necessities, and many who face one financial barrier also face others. One resource available to SEPA families making difficult financial choices is Clarifi, a new affiliate of PHMC, which works with local low-income individuals and families struggling with financial challenges -- many a result of health related issues.



Clarifi has seen through client contacts that financial and health problems often go hand in hand. Many clients who are struggling financially have recently faced a major illness, accident, hospitalization, loss of insurance or other health challenges. The staff provides referrals, checks in on health problems as well as financial issues, and helps clients make difficult choices like buying medication or making mortgage payments.

For more information about the findings presented in this article, please contact Rose Malinowski Weingartner at rosemw@phmc.org.

For information on difficult financial choices for older adults in our area, [see this previous article](#).