



# **Voices of Underinsured Kansans**

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# Presenter Disclosures

## Sharon T. Barfield and Andrew Ward

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**The following personal financial relationships with commercial interests relevant to this presentation existed during the past 12 months:**

**No Relationships to Disclose**



# OVERVIEW

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- **Being Underinsured**
- **Purpose and Methods**
- **Findings**
  - **Perceptions about Coverage**
  - **Underinsurance Related to Income and Health Care Needs**
  - **Consequences of Underinsurance**
- **Closing Thoughts**



# BEING UNDERINSURED

- Policy discussions and federal health reform have focused on expanding health insurance coverage.
- Far less focus has been placed on the adequacy of health insurance.
- Being Underinsured:

The underinsured population consists of those individuals with health insurance but whose insurance does not adequately cover their health care needs, a situation that often results in financial strain, medical debt or postponing needed care.



# PURPOSE AND METHODS

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- Purpose of Qualitative Component of the Underinsured in Kansas Project:
  - To gain a better understanding of the experience of being underinsured
  
- Methods
  - Interviews
    - Conducted face-to-face interviews with 10 underinsured Kansans
    - Sample not representative
  - Qualitative Analyses
    - Grounded theory to identify emergent themes



# PERCEPTIONS ABOUT COVERAGE

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- Eight of 10 persons interviewed didn't realize their health insurance was inadequate until they had trouble paying medical bills or were denied coverage.
  
- Some said at that point their insurance and the sense of security it had afforded seemed to disappear.



# PERCEPTIONS ABOUT COVERAGE (Cont'd)

Four people considered their plans inadequate:

- One didn't cover the knee component of a prosthetic leg that made it functional.
- One stopped paying for care of degenerative disc disease.
- One provided catastrophic coverage but paid for a limited number of physician office visits.



# PERCEPTIONS ABOUT COVERAGE (Cont'd)

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**One policy excluded treatment for a pre-existing condition.**

*“I pay a monthly premium for nothing really because I still have to pay for all my insulin and doctor visits,” Bob said. “I can’t live without my insulin. I would literally die without it.”*



# PERCEPTIONS ABOUT COVERAGE (Cont'd)

- Six of 10 Kansans interviewed described their coverage in variations of “good.”
- They thought it would adequately cover their health care expenses, but the reality turned out to be very different.
- Even after realizing they were underinsured, participants still described their plans as “good.”
- How could this be?



# UNDERINSURED RELATED TO INCOME AND HEALTH CARE NEEDS

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**People's insurance failed to protect them from financial strain when their incomes were low to moderate and/or their health care needs were high.**

- **Leonard and Jan had low health care needs but their policy was inadequate relative to their income.**
  - The couple was retired and living on a fixed income.
  - They struggled with small increases in their cost-sharing requirements.



## UNDERINSURED RELATED TO INCOME AND HEALTH CARE NEEDS(Cont'd)

- Some participants' coverage was inadequate relative to their health care needs.
- Carol described her insurance as "really good" but her share of expenses for treating her multiple, chronic conditions were more than she could afford.

*"It's really good coverage. It's just that I have many conditions and when you go [to the doctor] constantly, it really starts adding up."*



# CONSEQUENCES OF UNDERINSURANCE

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- Lack of Access
- Financial Strain
- Deferred Care
- Psychological, Physical, Work and Family Challenges



# Lack of Access

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**When their insurance plans didn't cover medical services, some participants couldn't access care, which disrupted their daily lives.**

*"I really wish insurance companies understood that while they're dealing with the bottom dollar, we're dealing with daily life. I have an 18-month old and I have to carry him around. I have to cook and clean and work on the farm. When I'm in so much pain that I can't get out of bed, that makes life tough."*



# Financial Strain

- Cost of Health Care
- Difficult Choices
- Medical Debt
- Collections
- Bad Credit
- Bankruptcy



# Financial Strain

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Tracy thought her family's coverage was adequate. So she was surprised by the amounts her family became responsible for paying out of their pockets.

*"We felt comfortable taking care of my husband's health [needs] because we thought we were covered. Then we realized that what you think is not such a big deal adds up quickly. It becomes astronomical."*



# Financial Strain: Cost of Health Care

- Individuals did not know how much their health care would cost before receiving it.
- Often people don't ask about costs, as John's comment illustrates:

*“When they said, ‘you need bypass surgery today’ you don’t stop and ask how much it is. You just say fix me.”*



# Financial Strain: Difficult Choices

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Interviewees said they had trouble paying bills and balancing health care costs with daily living expenses, as Marie explained.

*“You are juggling between, ‘Okay, are we going to pay our mortgage this month or are we going to buy medicine?’ You’re pitted between those things and that’s a hard place to be in because a person’s health is priceless.”*



## Financial Strain: Difficult Choices (Cont'd)

**Karen had withdrawn \$30,000 from retirement savings to pay for an uncovered prosthesis and will need another one in four years.**

*“While I waited, my leg atrophied. And I was absolutely exhausted... Finally, when I realized my health was in the balance,... to protect my mental and physical well-being, I bought the prosthesis myself.”*



# Financial Strain: Difficult Choices (Cont'd)

To pay their share of health care expenses, people tightened budgets. Four families had trouble purchasing healthy food, as Bob described.

*“We want to get the right kind of food. You can buy cheap pastas and things but it’s not good for you. It certainly isn’t good for someone with type 1 diabetes because pastas are full of carbohydrates. The healthiest food is expensive.”*



# Financial Strain: Medical Debt

**Financial strain manifested itself in medical debt for 5 of the 10 underinsured Kansas families.**

*“He [my husband] went to doctor after doctor that ran test after test after test. And by the time we got all the bills we realized there was no way we could pay the premium and the deductibles and the coinsurance... We were absolutely overwhelmed with medical debt,” Tracy said.*



# Financial Strain: Medical Debt (Cont'd)

**Families did what they could to pay their medical debt:**

- **Made payment plans with providers**
- **Sought financial counseling**
- **Tried bill consolidation**
- **Took second jobs**
- **Used retirement and life savings**
- **Returned to work after retirement**



# Financial Strain: Collections

- Health care providers turned bills participants couldn't pay over to collections, which stressed those people financially and emotionally.
- At that point, the bills kept coming and so did the phone calls from collectors.
- One individual recalled this as a “miserable time.”



# Financial Strain: Bad Credit

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**Five of 10 persons said collections had ruined their credit ratings, dampening hopes for the future. For one couple, this meant delaying their dream to take over the family farm.**

*“We farm with my husband’s parents, who want to retire but they can’t until we’re financially stable. So they have to keep working until we get this medical debt paid and a bank will fund us to farm. Our credit is ruined, absolutely ruined. It will take us 10 to 15 years to rebuild.”*



# Bankruptcy

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**Despite their efforts to pay what they owed, 4 of 10 families eventually filed for bankruptcy because of medical debt.**



# Deferred Care

- Participants who had incurred medical debt had to balance costs with what was best for their health.
- Some didn't fill prescriptions.
- Some made month-to-month decisions about which prescriptions they could afford to fill.
- Some changed to generics that they believed didn't work as well as brand name drugs.



## Deferred Care (Cont'd)

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Those interviewed, like Sam, described deferring needed care.

*“We’ve had to triage my care just to focus on those things that are most immediately dangerous and more long term, trying not [to treat] my cardiovascular system because I see that as less of an immediate threat [than diabetes]. There’s a lot of heart disease in my family, so that worries me.”*



# Other Challenges

- Psychological
- Physical
- Work
- Family



# Psychological Challenges

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- All participants faced psychological challenges.
  
- Paramount among those challenges were worry and stress.



# Psychological Challenges (Cont'd)

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People wanted to pay their health care bills and worried about doing so.

*“If you have a conscience you want to pay your bills. I’ve always paid my bills and when you can’t pay them, it causes you a tremendous amount of worry,” John said.*



# Psychological Challenges (Cont'd)

- The word “stress” appeared multiple times in all transcripts.
- Participants said stress worsened their health conditions.

*“The stress [from having inadequate health insurance] is just so... awful on the entire body, your immune system, your psychology, the way the brain works, your heart. It worsens everything,” Sam said.*



# Psychological Challenges (Cont'd)

In addition to stress, participants experienced depression.

*“At the worst, I got to the point where I didn’t do anything but lay on the floor in a fetal position. It’s mind boggling what depression and stress does,” John said.*

*“As finances have been in a death spiral, I have grown more and more depressed. At times, I despair that I have no future,” Sam said.*



# Physical Challenges

- Stress and depression led to physical problems like weight gain.
- People said that to cope with stress, they overate and gained weight, as Tracy explained.

*“My husband didn’t eat, and I ate myself into oblivion. That’s how we deal with stress...The depression caused me to eat and put on a lot of weight.”*



# Physical Challenges (Cont'd)

- Financial strain resulted in other physical challenges, including sleeplessness.
  - Marie remembered how racing thoughts about bankruptcy kept her awake at night.

*“You lay there all night long thinking, ‘What am I going to do? How am I going to do it? Are we going to file bankruptcy? I never thought I’d be filing bankruptcy. I can’t believe we’re filing bankruptcy. How is this going to affect our future? Does it mean we’re never going to have anything?”*



# Work Challenges

Participants discussed work challenges, such as:

- **Taking extra jobs**
- **Being called at work by bill collectors**
- **Losing a job because of illness and being unable to access treatment that might make returning to work possible**



# Family Challenges

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**Participants described how financial stressors took a toll on family relationships.**

*“We have a great relationship but it seems like money [medical debt] is the one thing that can strain it to the core. You take the first two years of marriage which are supposed to be so happy and add in all that stress. It has made our lives, to be quite frank, a living hell.”*



# CLOSING THOUGHTS

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- The people we talked with had gone through very hard times (i.e., living hell).
- Yet, 8 of 10 participants didn't express anger.
- They seemed to maintain reasonable attitudes, as illustrated by Sam's words:

*“There are a lot of good people on both the provider side and the insurance side. It’s just that we’ve got a gawd-awful, dysfunctional system that’s chewing up lots and lots of people, including me.”*



# CLOSING THOUGHTS (Cont'd)

**Some provisions of federal health reform, known as the Affordable Care Act (ACA), will lessen some challenges associated with underinsurance.**

■ **For example:**

- **The ACA authorizes temporary federal high-risk pools and will prohibit insurers from excluding coverage of pre-existing conditions.**
  
- **The ACA will offer cost-sharing subsidies for persons earning low to middle incomes.**



# CLOSING

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***THANKS FOR LISTENING!!!***

For more information and reports of findings,  
visit Kansas Health Institute's website at  
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# Kansas Health Institute



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