



Kentuckians' Experiences with *Going into Debt to Pay for Healthcare*

December 2009



Results From the Foundation for a Healthy Kentucky
and The Health Foundation of Greater Cincinnati



The costs of getting medical care and health insurance have increased annually for many years. These increases have meant that some people have to go without care because they can't afford it or they go into debt to get the care they need. To get a picture of how Kentuckians are faring with medical debt, the Foundation for a Healthy Kentucky and The Health Foundation of Greater Cincinnati included questions on the 2009 *Kentucky Health Issues Poll* asking about unpaid medical and healthcare bills.

Half of Kentuckians (50%) do not have any unpaid medical debt, and 29% owe less than \$2,000. This means that about 1 in 5 Kentuckians owes over \$2,000 in unpaid medical debt. While the total amount of medical debt varies among groups, in general as age, education, or income increases, the percentage of people who have medical debt decreases.

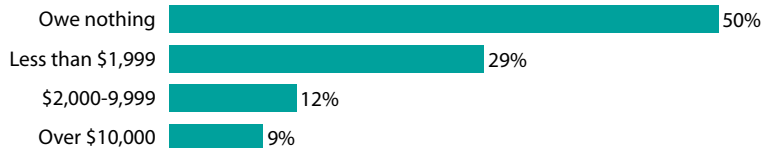
Unpaid Medical Debt is Higher Among Uninsured, Poor, and African American Kentuckians

The proportion of African American adults carrying some medical debt was the highest among the groups tracked by the *Poll*. Uninsured Kentuckians and those living in households with an annual income below 200% of the

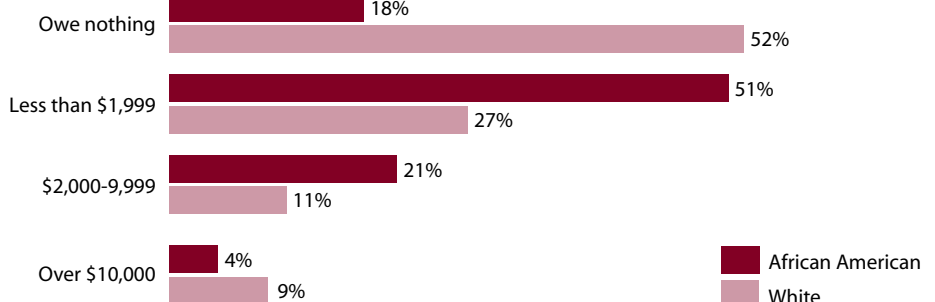
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How much would you say you currently owe on unpaid medical or healthcare bills? *(Percentages do not add to 100% because the percent who said "don't know" are not included.)*

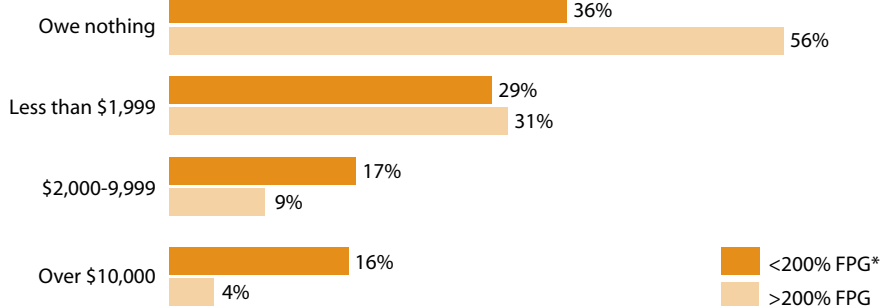
Kentucky



Ethnicity

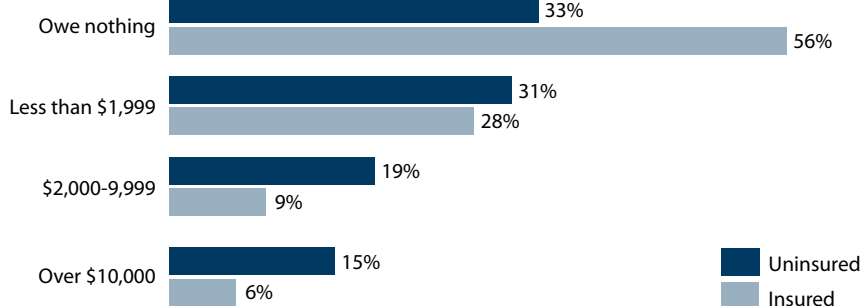


Household Income



* 200% of the Federal Poverty Guidelines (FPG) in 2008 was \$42,400 for a family of 4.

Insurance Status



These findings unless otherwise noted are from the 2009 Kentucky Health Issues Poll, funded by the Foundation for a Healthy Kentucky and The Health Foundation of Greater Cincinnati. The Kentucky Health Issues Poll was conducted October 8–November 6, 2009, by the Institute for Policy Research at the University of Cincinnati. A random sample of 1,669 adults from throughout Kentucky was interviewed by telephone. This included 1,464 landline interviews and 205 cell phone interviews with people who did not have a landline telephone. In 95 of 100 cases, the statewide estimates will be accurate to $\pm 2.4\%$. In addition to sampling error, there are other sources of variation inherent in public opinion studies, such as non-response, question wording, or context effects that can introduce error or bias. For more information about the Kentucky Health Issues Poll, please visit www.healthy-ky.org or www.healthfoundation.org/khip.html.

federal poverty guidelines (FPG)¹ also had high proportions of people with medical debt:

- African American Kentuckians reported the highest percentage of medical debt, with 76% reporting some level of medical debt, compared to 46% for Whites. In addition African Americans reported higher percentages of debt under \$2,000 and between \$2,000 and \$9,999 than Whites.
- Over 6 in 10 Kentucky adults (62%) living below 200% FPG reported having some medical debt, compared to 43% of Kentuckians living above 200% FPG. Kentuckians living below 200% FPG reported about twice the percentage of medical debt between \$2,000 and \$9,999 and 4 times the percentage of debt over \$10,000 as Kentuckians living above 200% FPG.
- 65% of uninsured Kentuckians reported some level of medical debt, compared to 42% of insured Kentuckians. The uninsured also reported double the percentage of medical debt between \$2,000 and \$9,999 and over \$10,000 than insured Kentuckians.

What Do Kentuckians Owe the Money for?

Kentuckians reported their largest percentage of unpaid medical debt was for:

- tests and diagnostic procedures (21%),
- emergency room visits (21%),
- outpatient treatment and procedures (17%), and
- in-hospital stays (16%).

Medical Debt for Emergency Room Visits

The uninsured (36%), African Americans (36%), and young adults (35%) reported higher rates of medical debt for emergency room visits. These three groups are less likely than other groups to have an appropriate medical home—a doctor's office, health center, or other place they go when they are sick or need medical advice. They are also more likely to use an inappropriate medical home, such as an emergency room or urgent care center, as their usual source of care. Inappropriate medical homes do not provide the kind of consistent care and follow-up that help people stay healthy.

¹ 200% of the federal poverty guidelines (FPG) in 2008 was a household income of \$42,400 for a family of 4.