

Caitlin Yarber

Ms. Jones

ENC 2135

13 July 2023

Is health insurance becoming increasingly unavailable for low-income families?

Ever since the start of the Covid-19 pandemic, people have become increasingly aware of all medical things. There have been shortages of hospital staff and changes in the way some hospitals are run. People may also be vaguely familiar with the term health insurance. Health insurance has been a significant topic in the news for the past few years, typically because many people are not able to receive health insurance for a variety of reasons. Although many are aware that health insurance exists and that many people are not able to receive access to it, many people also do not know what health insurance truly is and why it is so unavailable to many people. As explained by the Vaden Health Services department at Stanford University, a consumer will pay an initial fee which will go into a “bucket” with fees from other consumers who paid around the same amount. Many people remain healthy and uninjured for most of the time, so the money from the “bucket” goes towards smaller payments such as annual doctor visits and other small costs. Health insurance is managed by a provider who controls the money. This insurance covers a majority of anything medical related such as immunizations, hospital visits, prescription drugs, etc. Referring to the “bucket,” a consumer pays an initial fee for health insurance, but when that consumer requires care, they are likely to pay another fee. Depending on how much the consumer paid for the initial fee, the second fee is going to vary. For example, if a consumer pays a considerable sum of money for the initial fee, they are not going to have to pay as much for the second fee, but if they only pay a small portion of the initial fee, the cost of their

additional fees is going to be more. With this newfound or further confirmed knowledge, one can understand that the availability of health insurance is becoming limited to low-income families. The US has made it harder for low-income families to get access to health insurance, which has led to increasing unavailability, through the overall cost of health insurance, where the money is going, and the issues within the health insurance companies themselves.

Health insurance is very costly considering how necessary some people make it seem. Although the cost of health insurance varies from person to person and family to family, everyone can see where the financial burden comes from. The money put towards the initial fee for the insurance is the starting money to pay for medical bills, every payment after that is more money going towards this medical cost (How Health Insurance Works). If a family is already struggling to pay the initial fee, they are going to be struggling even more to pay the additional fees after that which could lead them into debt. Not having health insurance means that medical bills are not even slightly covered by anyone so the family would have to pay these bills in full. A family must decide if they want to struggle with the possible financial hardship by paying medical bills or for insurance, which will both lead them into debt. These impossible decisions make it hard for families to focus on what is important during a crisis. In addition to the already expensive insurance, inflation is a growing concern, so everything is getting more expensive. The prices for medical supplies are going to increase such as immunizations, prescribed medication, surgical supplies, etc. An increase in the price of these items is going to cause the insurance to use them to be more expensive which will cause more issues for low-income families. Many low-income families are finding the cost of health insurance to be too much, and they have decided to deal with the debt as it comes from each medical bill.

Low-income families are finding although they are struggling to find ways to pay for health insurance, it may not be all their fault. Many health insurance companies are having a challenging time making an investment income from their clients and they believe that these numbers are going to continue dropping throughout the years (Christine). If insurance companies cannot make the required investment income, then they are going to have to raise the price of the cost of insurance for their consumers. If a low-income family is one of these consumers, then they are going to be more of a financial burden than before. If the investment income numbers are expected to continue dropping, the price is just going to increase each year for the consumers. An article about the restructuring of the health insurance industry found that they need to be constantly educating their employees to keep their company growing because if they do not, they may have to increase the regulations of their company to ensure that they are not losing any more money (Christine). Increasing regulations, such as changing how health insurance company employees manage client's coverage, would be a new change for any company, and the companies are not used to running on any changes so this could either positively or negatively impact the companies and everyone involved, including the consumers. Of course, many companies would not know how these increased regulations would impact them until after the change is made. The same article was published in 1993 and they were already experiencing issues. If the issue was only expected to increase as the years go by, where does that leave insurance companies today? Low-income families are struggling with the cost of health insurance, but if the insurance companies are struggling on the inside then it may not all be the family's responsibility.

Insurance companies are causing issues for low-income families in their effort to receive health insurance, but so are the companies that these families are employed by. An article that goes into detail about the facts of the uninsured explicitly states, “Most uninsured people are in low-income families and have at least one worker in the family” (Tolbert). The article directly said that low-income families commonly do not have health insurance. This confirms that it is widely known that low-income families struggle to receive health insurance. More specifically, the article states that they have at least one worker in the family. The article does not specify whether or not these jobs are part-time or full-time. Typically, jobs will supply their employees with health insurance coverage, but an article describing U.S. health insurance informed their readers that many companies do not offer health insurance to their employees, leaving them struggling to pay bills that they simply didn't have enough money to pay for (Fuse Brown). Most of the time, the families that have these jobs are low-income families. People are supposed to be able to rely on their jobs for their money which supports their livelihood and well-being. The U.S. health insurance system was built around the idea that every person that requires health insurance should have a full-time job. Low-income families typically do not have full-time jobs, which is why people are finding that these families are not able to attain health insurance. These jobs are making it hard on these families to maintain a liveable income if they are stuck paying off their debt from medical bills. The same article refers to a specific time when the U.S. health insurance system failed a young man with COVID. The man did not have health insurance, but he was not sick enough to receive any federal money (Fuse Brown). The system fails the middle people, and those people lose every benefit they did have due to the system's failures. Low-income families are just one of these middle groups that are not poor enough to receive benefits but are not rich enough to cover everything on their own.

Low-income families are barely receiving benefits, however, there is a health insurance program created for certain low-income families under the Title XIX of the Social Security Act. This program is called Medicaid and it varies from state to state. Each state gets to determine anything that goes into the program including the coverage of everything, however, there are certain federal guidelines that the states must follow (“Medicaid”). Medicaid will provide many low-income families with health insurance when they normally would not have received it. However, knowing that there are options for these low-income families proves that there is a problem with the availability of the current health insurance since they are trying to provide other ways of receiving it. Although the government is indeed trying to provide other ways for low-income families to receive health insurance, they are not making it easy to do. In connection to Medicaid, an article explained that it can take families up to five years to receive Medicaid (Fuse Brown). After five years, a person may no longer require the treatment the insurance was going to cover. This waiting also leads to possible unnecessary suffering and death.

Companies are also finding ways to prevent low-income families from receiving health insurance without even realizing it. A recent court case, *Braidwood Management Inc. v. Becerra*, is encouraging the Affordable Care Act (ACA). The ACA would require people to have health insurance as preventative care (Mello). If this act were to be passed and become law, then people who require health care may not be able to receive it since other people have it “just to be safe.” The more people that have health insurance, the more the prices will go up for the insurance, so the already costly insurance will be even more difficult for low-income families to attain. Although it may seem like a good thing for people to have health insurance “just to be safe” because accidents happen all the time, it is taking away the opportunity for low-income families that have members with known, life-threatening conditions to be ensured because if the prices

are rising as more people purchase it, they will eventually no longer be able to afford it.

Everyone should be able to have access to health insurance, however, there should be other ways to attain it so that it is not harder for low-income families to receive it. Expanding on this act, they would force religious people to buy health insurance for surgeries and other medical procedures that they cannot receive due to religious beliefs (Mello). This is unfair not only to religious people but also the low-income families because the families may require insurance but are not able to receive it due to the increased prices. Thankfully, this act is not a law yet, but one can see how making it law would only do more harm than good for many groups of people.

Overall, the United States health insurance system has only made it more difficult for low-income families to attain health insurance which has resulted in the increasing unavailability of insurance for these families. This research has brought people to the realization that the struggle to pay for health insurance has forced families to make impossible choices. The system has failed low-income families in so many ways and was built upon an idea that would lead these families to struggle. There are numerous ways that health insurance can get more expensive such as inflation, the failures of the inside of the insurance companies, and the limitations of the jobs these low-income families have. Companies have predicted these rises in prices since 1993. The government has been finding solutions so that low-income families can still have access to insurance, but there is an underlying issue with these solutions. Knowing and understanding that there are alternative options to receiving health care proves that there is an issue with the system and the people that run the system know it. Also, if unnecessary laws are put into effect, it will cause issues for low-income families as it is unfair that the price of their insurance must be raised just because everyone would be required to buy it. Overall, the United States health insurance system needs to be fixed. Health insurance is something that everyone should have access to.

One might suggest that there should be more options for low-income families to receive health insurance or that health insurance companies simply find a way for the cost of health insurance to be lowered. The Covid pandemic only proves this as many families faced not only health issues that were unresolved, but also financial issues. In times of sickness and illness, families should focus on ensuring that one another is going to get better, not if they are going to have enough money to pay for the treatment. After all, they are paying off debt because they had to as a result of paying off medical bills.

Works Cited

Christine, Brian. "The restructuring of the health insurance industry." *Risk Management*, vol. 40, no. 5, May 1993, pp. 76+. *Gale OneFile: Insurance and Liability*,  
link.gale.com/apps/doc/A13790022/PPILu=tall85761&sid=bookmarkPPIL&xid=bf0ea2e  
e.

Fuse Brown, Erin C. "U.S. Health Insurance Coverage and Financing." *NEJM*, 22 Dec. 2022,  
www.nejm.org/doi/full/10.1056/NEJMp2206049.

"How U.S. Health Insurance Works." *Vaden Health Services*, vaden.stanford.edu/insurance  
referral-office/health-insurance-overview/how-us-health-insurance-works. Accessed 6  
July 2023.

Jennifer Tolbert and Patrick Drake. "Key Facts about the Uninsured Population." *KFF*,  
12 May 2023, www.kff.org/report-section/key-facts-about-the-uninsured-popu  
lation-issue-brief/.

"Medicaid." *Social Security Bulletin*, vol. 55, annual 1992, pp. 77-81. link.gale.com/apps/d  
oc/A13724558/PPIL?u=tall85761&sid=bookmark-PPIL&xid=8e22f2aa. Accessed 3 July  
2023.

Mello, Michelle M. "The Fresh Assault on Insurance Coverage Mandates." *NEJM*,  
5 Jan. 2023, www.nejm.org/doi/full/10.1056/NEJMp2213835.