

# Americans cut back on medical care due to economic crisis

By Kate Randall  
23 August 2010

The economic crisis has adversely affected access to medical care for millions of Americans, according to a recent study. Cutbacks in obtaining routine medical care have been particularly sharp, and have been much deeper in the US than in countries with government-run health care systems.

The study, “The Economic Crisis and Medical Care Usage,” co-authored by Annamaria Lusardi, Daniel Schneider, and Peter Tufano and published by the National Bureau of Economic Research, analyzed data from surveys conducted in the US, Britain, Canada, France and Germany.

It found that “Americans, who face higher out-of-pocket health care costs, have reduced their routine medical care” much more than people in the other countries, with more than a quarter of US respondents reporting they have cut back on routine care. In all of the countries studied, reductions in income and job loss were strongly associated with cutbacks in routine medical care.

In the US, however, where individuals are responsible for paying a much greater proportion of health care costs, reductions in routine care were far more dramatic. The study also noted that about 15 percent of people in the US lack health insurance of any kind, further compounding the economic burden.

The study interviewed a total of 6,485 respondents between the ages of 18 and 65, including 2,148 in the US, 1,001 in Britain, 1,132 in Canada, 1,097 in France and 1,107 in Germany. Although the samples were designed to be nationally representative of each country’s population, the authors note that the study likely under-represented the most vulnerable groups in society, including immigrant workers and the homeless.

Survey participants were queried on the use of

routine medical care since the onset of the global economic crisis in 2007. Respondents were asked, “Since the economic crisis have you increased, decreased, or kept the same trips to the doctor for routine medical and non-emergency treatment?”

Among Americans responding, 26.5 percent reported reducing their use of routine medical care during this period. Figures for reductions in care in the other countries were significant, but lower: 5.3 percent in Canada, 7.6 percent in Britain, 10.3 percent in Germany and 12 percent in France.

The study also showed that “change in wealth” was more dramatic in the US than in the other countries, with 55 percent of US respondents reporting a loss in income due to the recession. This includes 13 percent who lost less than 10 percent of wealth, 21.5 percent whose wealth decreased by 10-29 percent, 11.3 percent whose wealth decreased by 30-50 percent, and 9 percent whose wealth was cut by more than 50 percent.

Across all the countries studied, those with lower incomes were significantly more likely to have cut back on routine medical care. Relative to individuals in the top income quartile, those in the lower three quartiles were more likely to have reduced care: bottom quartile, 5.7 percent more likely; 26-50th quartile, 5.9 percent more likely; and 51st to 75th quartile, 2 percent more likely.

The young were most likely to have cut back on routine care. Compared to those aged 50 to 65, individuals ages 16-49 were about 8 percent more likely to have cut back, with the youngest, under 25 years of age, 11.7 percent more likely to have reduced routine care.

The study showed economic distress has had a direct impact on an individual’s access to routine medical care, with job loss being particularly devastating.

Respondents reported being unemployed and looking for work at the following rates: Germany, 14.4 percent; United States, 13.8 percent; France, 10.1 percent, Britain, 6.6 percent (Canadian unemployment figures were not collected).

It is notable that despite the higher jobless rate found by the study in Germany, 10.3 percent of individuals in Germany reported cutting back on routine care compared to 26.5 percent of people in the US.

Among respondents of all countries, those who said they were unemployed and looking for work reported cutting back on routine care by 28.3 percent, compared to a 15.7 percent reduction for the balance of study participants.

A survey by the American Hospital Association (AHA) also demonstrates the impact of the recession on patient care in the US. According to data from the AHA's "Telling the Hospital Story Survey," 70 percent of hospitals reported lower overall patient volumes and 72 percent reported depressed levels of elective procedures.

The study also showed that economic hardship in the current crisis has resulted in a dramatic 65 percent increase in enrollment in Medicaid, the Children's Health Insurance Program (CHIP), and other programs for low-income individuals and families. Nearly nine in ten hospitals also reported an increase in medical care for which the hospital received no payment at all.

In the face of these conditions, hospitals responding to the survey report making cutbacks that will serve to reduce the quality and quantity of patient care. More than half of hospitals, 53 percent, have reduced their staffs and 25 percent have cut medical services. Of those hospitals making such cutbacks, 89 percent indicated they have not added back employees that had been cut and 98 percent have not restored services.

Taken together, these two surveys indicate the severely detrimental impact of the economic crisis on the provision of basic medical services, particularly in the US. Cutbacks in routine medical care—including annual exams, immunizations and screening tests for cancers and other medical conditions—will inevitably result in increased levels of disease and loss of life.

Hardest hit by these reductions in services are those individuals and families who have seen large cuts in income as well as job losses. This situation will worsen with the implementation of the Obama

administration's health care legislation, which aims to slash hundreds of billions from the Medicare program for the elderly and force millions of people into the cut-rate Medicaid program for the poor.

The Obama health bill will also establish an Independent Payment Advisory Board, a 15-member panel appointed by the president to recommend cutbacks in Medicare payments to doctors and health care providers. The board will inevitably take aim at "excessive" Medicare spending and "unnecessary" tests and procedures, worsening what is already a desperate health care crisis for millions of older Americans and their families.

To contact the WSWWS and the  
Socialist Equality Party visit:

<http://www.wsws.org>