
Measuring the Financial Protection from Health Insurance in the U.S.

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March 16, 2005

Financial Vulnerability Measure

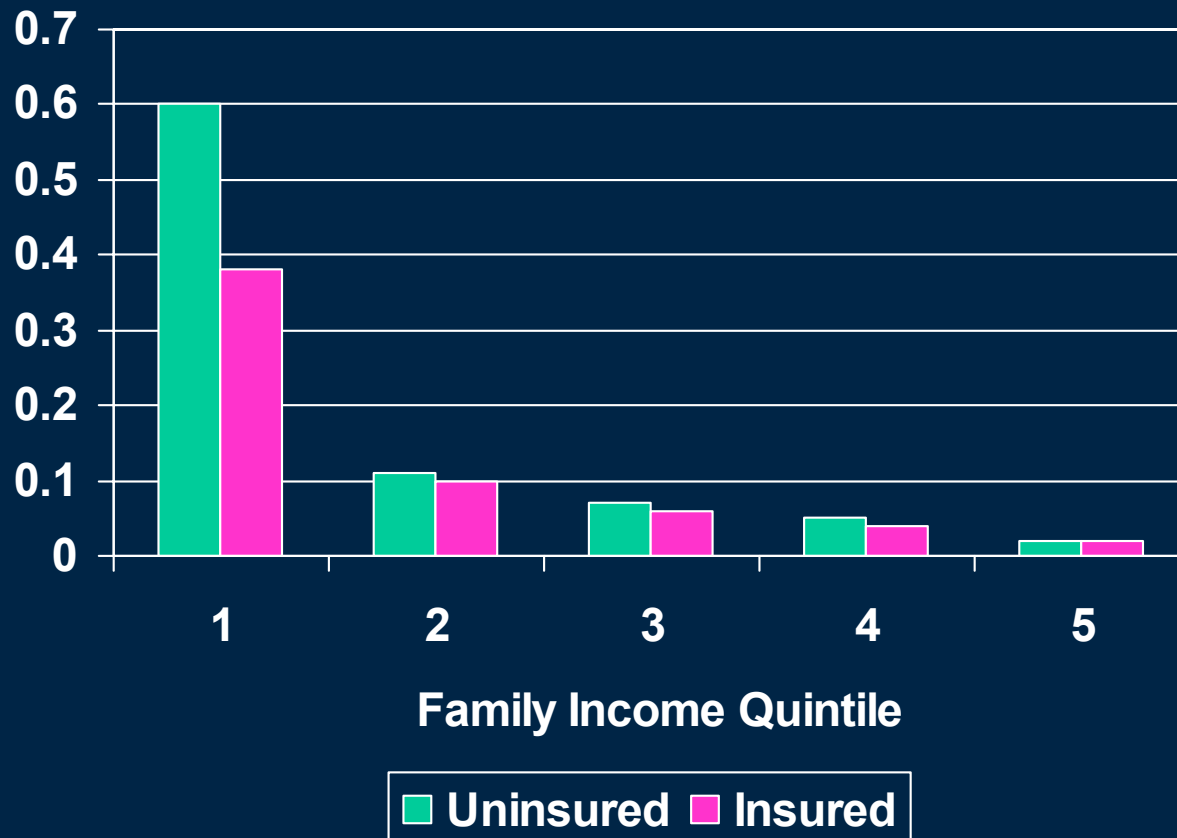
$$\text{Financial Vulnerability}_N = \frac{\text{Standard Deviation of Out of Pocket Health Expenditures}_N}{\text{Mean Disposable Income}_N}$$

Methods

- Data Source
 - U.S. Medical Expenditures Panel Survey (MEPS) 1996-2002
- Definitions
 - Families are based on MEPS health insurance unit (HIU)
 - Insurance status, income (disposable and gross), and OOP health expenditures measured at the level of adults in the family.
- Sample
 - Families in which either all adults are privately insured or all adults are uninsured (55,986 out of 98,437).
- Analysis
 - Examine difference in measure between insured and uninsured families within a cell
 - Family Gross Income Quintile.
 - Number of Health Conditions of Adults in the Family (DXCG classifications)

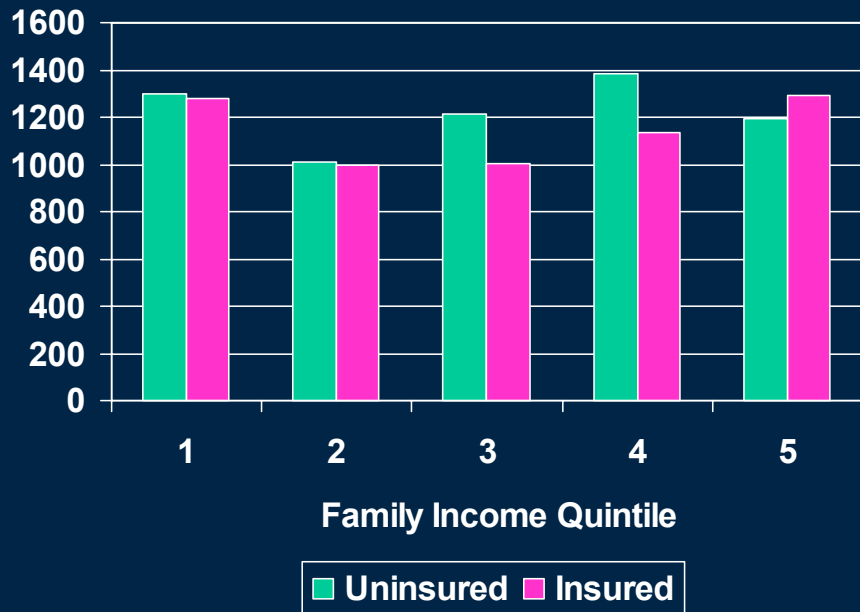
Protection from Financial Risk

S.D. of OOP/Mean Disposable Income

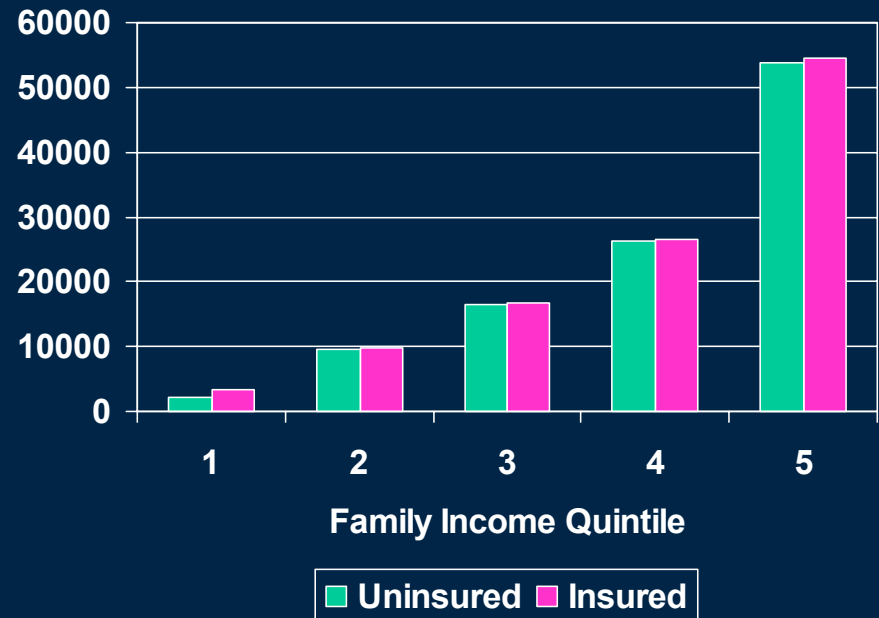


The Components of the Measure

S.D. of OOP Health Expenditure

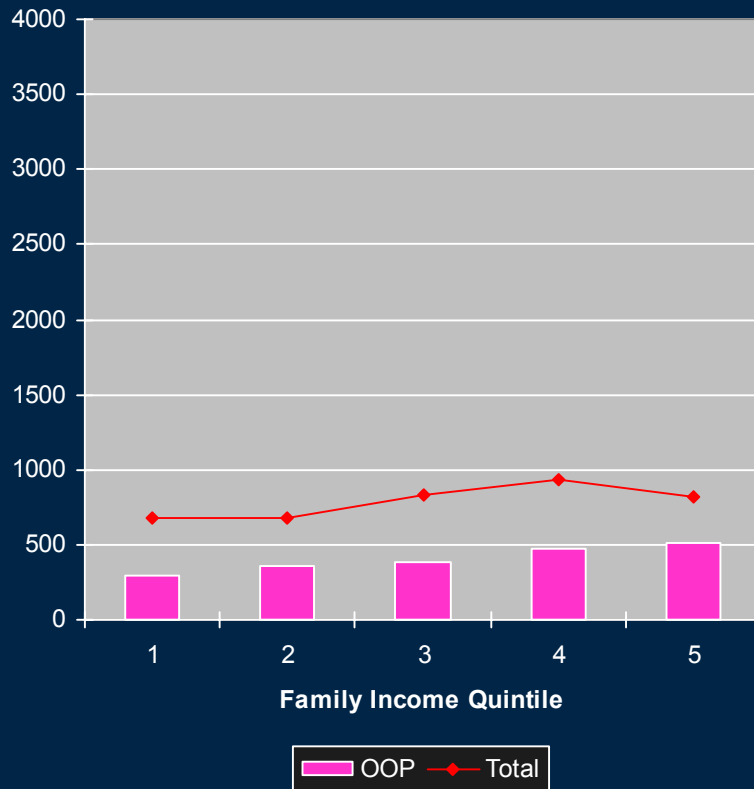


Mean Disposable Income

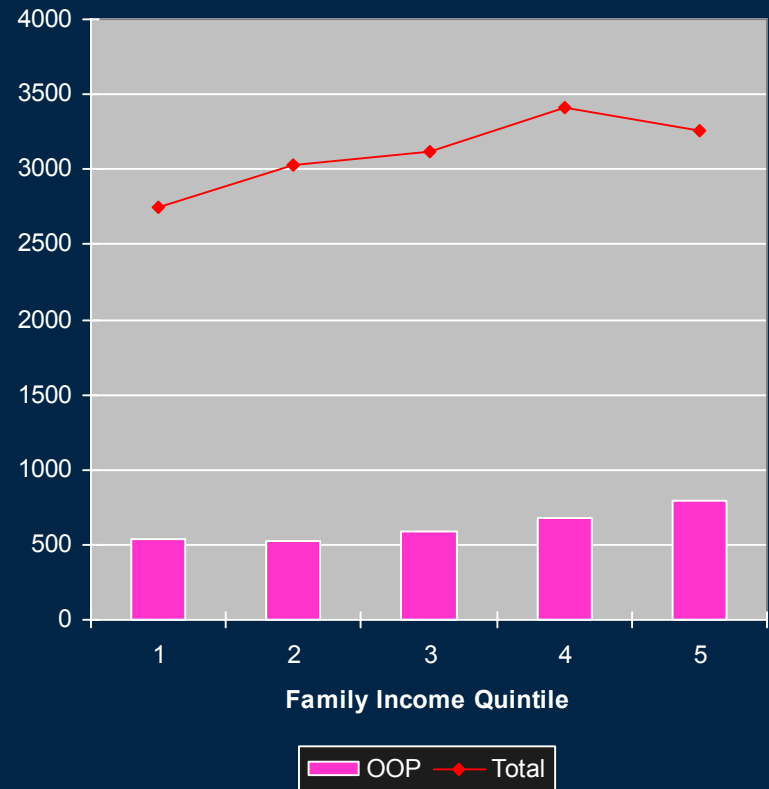


OOP and Total Health Expenditures by Insurance Status

Uninsured Families



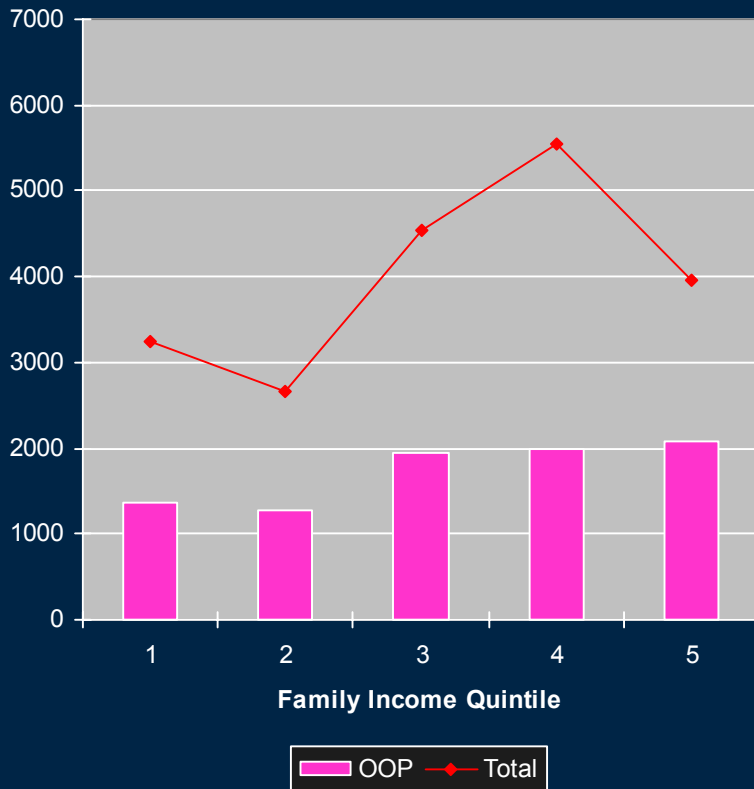
Insured Families



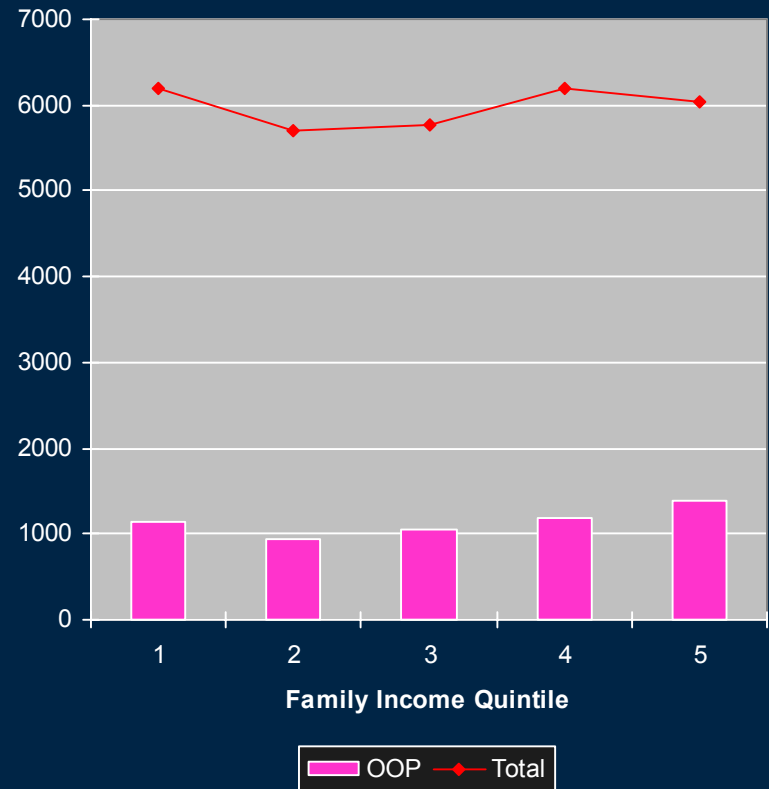
OOP and Total Health Expenditures by Insurance Status

5+ Conditions

Uninsured Families



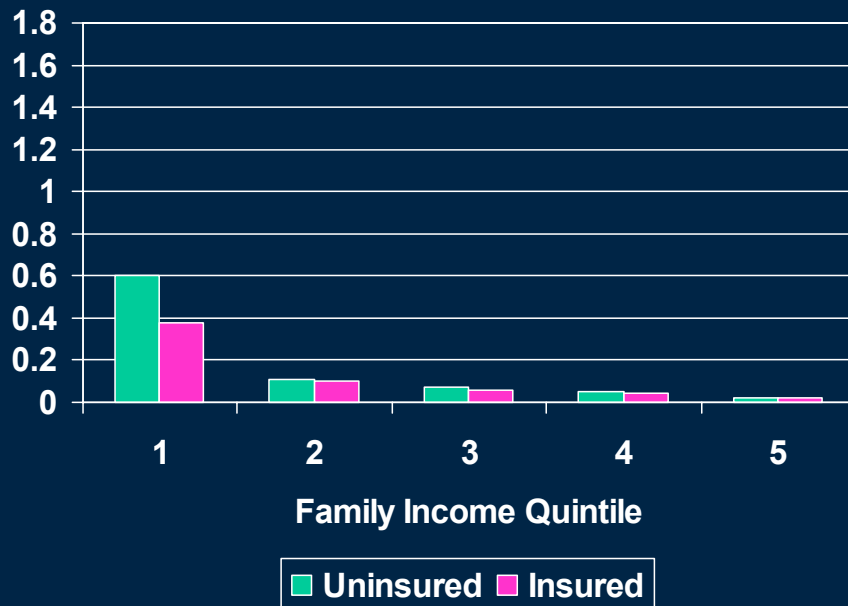
Insured Families



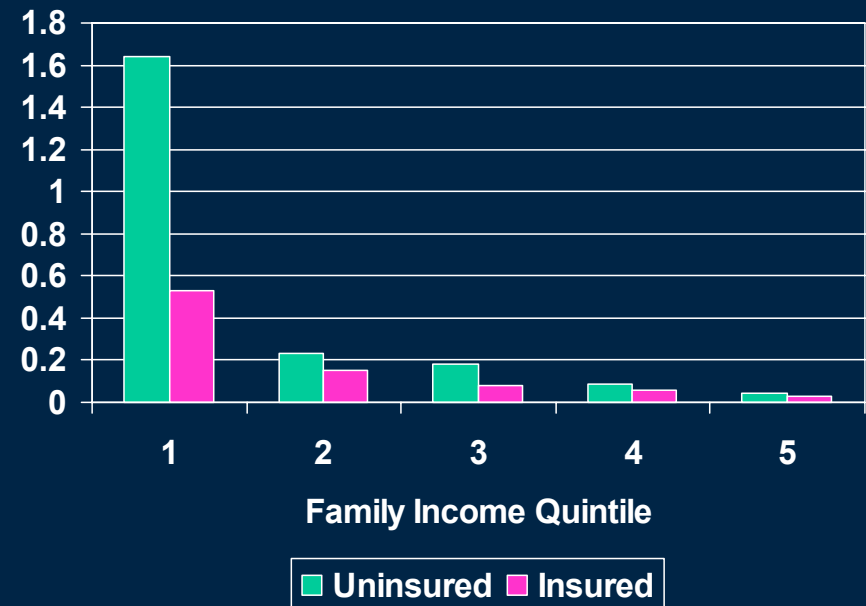
Measuring Financial Risk

S.D. of OOP/Mean Disposable Income

All



5+ Conditions



(Preliminary) Conclusions

- The benefits of health insurance in the form of protection from financial risk are the greatest for low income, unhealthy families.
- Health expenditures represent a significant financial risk to low income families whether or not they are uninsured.