

BURDA ON HEALTHCARE

The Nays Have It. **Healthcare Is Not Getting More Affordable for Consumers**

By David Burda
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As we start the new year, it's time to ask the question once again: Has healthcare gotten any more affordable for consumers? Let's look at some numbers from five credible sources, shall we?

Center for Medicare and Medicaid Services

In December, CMS released its [latest national health expenditure](#) figures. Total NHE rose 2.7 percent in 2021 to a little under \$4.3 trillion. Personal out-of-pocket health expenditures made up 10.2 percent of total NHE that year. Personal out-of-pocket health expenditures jumped 10.4 percent in 2021 to \$433.2 billion. That's the highest annual rise in consumers' out-of-pocket healthcare costs in at least 50 years, according to CMS data.

**Is healthcare getting more affordable for consumers?
CMS' answer is no.**





U.S. Bureau of Labor Statistics

Earlier this month, the U.S. Bureau of Labor Statistics released its latest [Producer Price Index](#) figures. The PPI measures the increase in what producers actually collect from consumers for goods and services. It's different from the more popular Consumer Price Index, or CPI, which measures what producers charge consumers for goods and services. It's the difference between net (PPI) and gross (CPI).

The PPI for all consumer goods and services was 6.2 percent in 2022. (It was 191.8 percent for eggs. So, you're not imagining that you're paying way more for eggs lately.) By comparison, the PPI per BLS data, for various healthcare goods and services last year was:

- 4.6 percent for nursing home care
- 4.3 percent for inpatient hospital care
- 2.3 percent for outpatient hospital care
- 2.2 percent for home and hospice care
- 1.9 percent for health insurance
- 0.6 percent for physician services
- (0.7 percent) for lab and imaging services

In most cases, consumers paid more for healthcare services last year. But they paid a lot more for other goods and services they purchased in 2022, leaving less money to spend on medical care.

**Is healthcare getting more affordable for consumers?
BLS' answer is no.**

Gallup

Also, earlier this month, Gallup released the results of its annual [Health and Healthcare Poll](#). This year's poll is based on a survey of a representative sample of 1,020 adults age 18 or older. Gallup conducted the survey from Nov. 9, 2022, through Dec. 2, 2022.

Thirty-eight percent of the respondents said they or a family member delayed getting medical care over the past 12 months because of the expense. That's a jump of 12 percentage points from the 26 percent of the respondents who said the same thing in last year's poll. The 38 percent also is the highest figure since both 2014 and 2019 when that figure was 33 percent.

Further, 71 percent of those who delayed medical care over the past 12 months because of the cost said they delayed care for a "very" or "somewhat" serious medical condition.

Gallup said inflation made things worse: "With high inflation creating moderate to severe hardship for a majority of Americans in the second half of 2022, their reports of delaying medical care in general due to cost — as well as delaying care for a serious condition — rose sharply to new highs."

**Is healthcare getting more affordable for consumers?
Gallup's answer is no.**

National Center for Health Statistics

The CDC's National Center for Health Statistics weighed in with its annual medical affordability report, which the agency released earlier this month. The [13-page report](#) is based on the most recent data from the NCHS' ongoing National Health Interview Survey database.

According to the NCHS, the percentage of people living in families who struggled to pay their medical bills over the previous 12 months dropped to 10.8 percent in 2021 from 12.5 percent in 2020 (and 14 percent in 2019). The percentage dropped in all four NCHS age categories.

- 11.4 percent in 2021 from 13.3 percent in 2020 for people under 65
- 11.5 percent in 2021 from 13.7 percent in 2020 for people 0 to 17
- 11.3 percent in 2021 from 13.1 percent in 2020 for people 18 to 64

- 7.7 percent in 2021 from 8.4 percent in 2020 for people 65 and older

Despite the good news, there were some big differences in 2021, depending on the type of insurance you had. It was:

- 20.3 percent for the uninsured (age 18-64 only)
- 11.3 percent for Medicare and Medicaid dual eligible
- 9.8 percent for traditional Medicare
- 8.9 percent for Medicare Advantage
- 4.8 percent for private health insurance

Is healthcare getting more affordable for consumers? Breaking from CMS, BLS and Gallup, the NCHS' answer is yes.

JAMA Research Letter

Finally, researchers from the New York University School of Global Public Health in New York decided to dig deeper into the NCHS' NHIS database. They wanted to find out whether healthcare is more or less affordable for men versus women and whether that difference, if it exists, is different for different types of care and is changing over time.

The data pool consisted of nearly 240,000 non-elderly adults with employer-based health insurance from 2000 through 2020 who said they skipped care over the past 12 months because of the cost.

The answers, in order, are:

- Care is less affordable for women than men.
- Care is less affordable for women than men in each of the four categories of care (medical, dental, prescription medications and mental health).
- Care is getting less affordable for both women and men.

"Lower income and higher healthcare needs among women could be driving sex differences in reported affordability," the researchers said. "Employer-sponsored insurance benefits may need to be redesigned to reduce sex difference in healthcare affordability."

The researchers published their results in a [JAMA Research Letter](#) last month.

Is healthcare getting more affordable for consumers? The answer, according to this study in JAMA, is no.

There you have it. Five credible sources. Four of the five say healthcare is not getting more affordable for consumers. The nays have it. The motion is passed on the first vote.

We'll take another vote this time next year to see if any of the billions of dollars that we're spending on digital health tech and healthcare innovation are making a difference in the pocketbooks of healthcare consumers.

Thanks for reading.



AUTHOR



Dave Burda began covering healthcare in 1983 and hasn't stopped since. Dave writes this monthly column "Burda on Healthcare," contributes weekly blog posts, manages our weekly newsletter 4sight Friday, and hosts our weekly Roundup podcast. Dave believes that healthcare is a business like any other business, and customers—patients—are king. If you do what's right for patients, good business results will follow.

Dave's personnel experiences with the healthcare system both as a patient and family caregiver have shaped his point of view. It's also been shaped by covering the industry for 35 years as a reporter and editor. He worked at Modern Healthcare for 25 years, the last 11 as editor.

Prior to Modern Healthcare, he did stints at the American Medical Record Association (now AHIMA) and the American Hospital Association. After Modern Healthcare, he wrote a monthly column for Twin Cities Business explaining healthcare trends to a business audience, and he developed and executed content marketing plans for leading healthcare corporations as the editorial director for healthcare strategies at MSP Communications.

When he's not reading and writing about healthcare, Dave spends his time riding the trails of DuPage County, IL, on his bike, tending his vegetable garden and daydreaming about being a lobster fisherman in Maine. He lives in Wheaton, IL, with his lovely wife of 35 years and his three children, none of whom want to be journalists or lobster fishermen.

Visit 4sight.com/insights to read more from Dave Burda.