Increasing Access to Health Insurance Benefits Everyone
Economic Impacts

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Access to health care and the means to pay for it affects the financial stability of individuals and families, the companies they do business with, and the companies that employ them. Access to insurance

- reduces both health and non–health-related debt
- enables consumers to spend more in local economies
- increases workplace productivity and economic output

Health insurance plays a major role in managing financial risk for individuals and families. Families with even one uninsured member face stigma, anxiety, and the potential for financial catastrophe. Uninsured families are more likely than insured ones to have high out-of-pocket expenses for health care, although they spend less overall for care (excluding premiums).[1] Uninsured individuals who become hospitalized experience a host of financial setbacks over the next *four years*, including reduced access to credit and a significantly higher likelihood of filing for bankruptcy.[2]

Conversely, **access to coverage and health care has a positive impact on financial well-being**. Research shows that individuals residing in zip codes likely to be affected by Medicaid expansion experience reductions in collections and balances owed on both health and non–health-related debt.[3] In the Oregon Health Insurance Experiment, people selected by a lottery from a Medicaid waiting list experienced a reduction in medical bills sent to collections and a virtual elimination of catastrophic out-of-pocket expenses.[4] Similarly, research on the effects of Massachusetts's health reform found that the reform had "reduced the total amount of debt that was past due, the fraction of all debt that was past due, improved credit scores and reduced personal bankruptcies."[5]

State and local economies benefit when residents have access to affordable health care and coverage. The personal economic effects described above result in individuals and families having more disposable income to spend on goods and services. In addition to increasing tax revenues, this additional spending produces a "multiplier effect," as increased business revenues are passed on to suppliers and employees, who use them in turn. One estimate puts the multiplier effect of Medicaid expansion at between 1.5 and 2 times the amount of new federal Medicaid spending.[6]

Workers who have access to insurance are more productive. People without insurance are often in poor health due to deferred treatment and uncontrolled chronic conditions. Poor health results in multiple dimensions of lost productivity: adults whose health status prevents them from working, workers who miss time from their jobs because of

LOS ANGELES (Headquarters)
3450 Wilshire Blvd. #108 – 62
Los Angeles, CA 90010
213 639-3900
213 639-3911 fax

NATIONAL IMMIGRATION LAW CENTER

WASHINGTON, DC
1121 14th Street, NW, Ste. 200
Washington, DC 20005
202 216-0261
202 216-0266 fax

health problems, and workers who are working but less productive because of their health conditions.[7] One study found that workers who were uninsured missed almost five more days of work each year than those who had insurance.[8]

Health-related productivity losses are estimated to reduce U.S. economic output by $260 billion per year.[9] These productivity losses are due to a combination of work days missed due to illness, workers' inability to concentrate because of their own or a family member's health condition, and reduced labor force participation among people whose health status prevents them from working.[10]

A STRONGER ECONOMY BENEFITS EVERYONE. That's another reason why it's in everyone's interest to ensure that no one is excluded from access to health insurance and programs that make it affordable.

SOURCES

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