

Delta Days at The Nation's Capital

State of Illinois

Healthcare Affordability for Seniors and Small Business Owners

Healthcare Affordability

The specifics surrounding healthcare continue to be an unresolved issue in the United States of America. While it should be a right for all Americans, it is seen as a privilege among the marginalized. Those without the financial support to properly access resources available have difficult times accessing health care for the better their health. Healthcare needs vary greatly over the course of a lifetime. In addition, when illness strikes, it can cripple one financially, and cause additional medical issues that may accumulate due to the financial concerns.

As we continue conversations previously started about healthcare, it is important for Legislation to evolve for all Americans as we look to meet even the most general needs. Seniors and small business owners account for a large population and present unique needs that need to be addressed for them to sustain a desirable quality of living and thrive in the future. Growing healthcare costs remains a significant barrier that continues to grow for both groups.

Healthcare Affordability Concerns Regarding Seniors

The Journalist Resources article titled, "Medical Spending Amongst U.S. Elderly," published that medical expenses for the elderly more than double between the ages of 70 and 90. The average amount spent on medical care for an American in his or her 90s exceeds \$25,000 annually, a cost based primarily on nursing home costs.¹

With the continued rising costs of healthcare and housing, majority of the Americans aged 75 years or older will not be able to afford living expenses within the next 10 years. The average annual assisted living and medical expenses costs in the next 10 years is expected to total around \$62,000 while the anticipated amount of annual financial resources for the same group is anticipated to be approximately \$60,000². While all American seniors will not need assisted living, accommodations for limitations and mobility issues will need to be incorporated in daily living. Changes in marriage patterns, lower birth rates and children living away long distance adds to the needs that will continue to grow as Americans get older.

According to research, only 57% of seniors over the age of 65 with significant disabilities could afford to pay for at least two years of moderate home care if they liquidates all of their assets, while only 40% would be able to fund two years of extensive care³. Many seniors have to consider the idea of impoverishing themselves or selectively choosing which medical and general living needs will get attention to make ends meet as government supported programs do not always provide adequate financial support.

¹ Medical Spending Amongst the U.S. Elderly <https://journalistsresource.org/studies>

² In 10 Years Half of Middle Income Elders Won't Be Able to Afford Housing and Medical Care khn.org

³ Home Care Is Least Affordable for Seniors Who Need It Most homehealthcarenews.com

The demographic that must be evaluated is the middle-class elderly demographic. According to the Kaiser Commission on Medicaid and the Uninsured, the burdens of health care costs are growing. Insurance plans that were once put in place to help with the high cost of medical bills are inadequate and does not assist as they once had.⁴

The middle-class elderly demographic has been largely ignored as legislation has been considered over the years. More than 61 million Americans are enrolled in Medicare which has seen a significant increase of payments made over the last decade. There can also be gaps in coverages which ultimately ends up costing seniors significant out of pocket costs. Sometimes these gaps are unknown to citizens until they receive their medical bills. The unexpected out of pocket expense can potentially create an unexpected hardship in the household of the senior.

Healthcare Affordability Concerns for Small Business Owners

There are more than 30.7 million small businesses in the United States which employs makes up for the employment of more than 60 million Americans. Small businesses are critical to local communities as it employs more than 47% of the private sector workforce. Small business owners have indicated that the cost of healthcare coverage for employees is a major challenge as an employer. This significantly impacts their hiring and retention of quality employees and their bottom line. Approximately 33% of small business owners have noted annual increased of 10% or more in their healthcare costs. In addition, prescription costs and lack of choice of healthcare plans are major pain points for small business owners. This has resulted in some small business owners trying to negotiate costs with healthcare carriers, changing carriers or considering discontinuing healthcare coverage for their employees. Health insurance companies often view small businesses as higher risk. Due to the insurance structure being created to support larger entities, costs are typical raised making it difficult for small business owners to support the cost of insurance for their employees. A study conducted by the Department of Health and Human Studies noted, “Before the ACA, many self-employed individuals and small businesses were pushed out or priced out of health insurance. Nearly one out of five insurance applicants were denied coverage altogether due to pre-existing conditions and more than a third were charged higher rates.”⁶ In an organization which employees more than 100 employees it is easier for the higher rates to be absorbed. Small businesses employing less than 100 employees cannot sustain a business and turn a profit when they are paying out higher premiums just to be competitive to gain good workers. Small business owners are in dire need of legislative support that will allow them to continue to compete and employ Americans going forward⁵.

How Do We Move Forward?

“Health is more than the absence of disease; it is about economics, education, environment, empowerment, and community. The health and well being of the people are critically dependent upon the health system that serves them. It must provide the best possible health with the least

⁴ Healthcare and Middle Class: More Cost and Less Coverage <https://www.kff.org/health-costs>

⁵ Affordable, Quality Health care. For Everyone commonwealthfund.org

⁶ Healthcare Insurance Coverage for Americans with Pre-existing Conditions <https://aspe.hhs.gov/pdf-report/>

disparities and respond equally to everyone.” -Jocelyn Elders. Progress and resolution to this critical issue happens when legislation fully considers every American’s need for necessary access to quality and affordable healthcare. We move forward together by looking at each community where the concern exist and focus on working together as a community with the assistance of our legislatures to close the gap.

Delta Sigma Theta Sorority, Incorporated -Call to Action

Delta Sigma Theta Sorority, Incorporated is an organization of college educated women committed to the constructive development of its members and the welfare of all citizens with a primary focus on the Black community, we urge Congress to make the following implementations:

1. Enact legislature which provides access to quality and affordable healthcare for all Americans.
2. Increase funding for Medicare which would alleviate financial hardship for the middle-class elders.
3. Enact legislature which will allow small business owners to compete with larger entities with healthcare cost for the employment of Americans who prefer to be employed by small businesses.
4. Revisit the Affordable Care Act section regarding small businesses and make adjustments accordingly that will benefit all business owners.