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Health Care Spending Caps Will Protect Missourians:
New Report Indicates Quarter of a Million Missourians Will Be Impacted

According to a new report, more than a quarter of a million Missourians currently face potential catastrophic expenses as a result of health care costs related to accidents or serious illness. A provision in the Affordable Care Act capping out-of-pocket expenses will soon help those families protect both their health and their budgets.

As health care expenditures have increased, more of the costs have been shifted to consumers, who must pay for rising premiums, deductibles, and co-payments. In 2014, the Affordable Care Act will cap how much money insured people will have to spend on these out-of-pocket costs for services covered in the Act's essential benefits package. The caps will be implemented on a sliding scale, and those with low and middle incomes will incur fewer out-of-pocket expenses than those with higher incomes.

The consumer health group Families USA commissioned the Lewin Group to determine the impact that the spending caps would have on Missouri families if they were to go into effect in 2011. The resulting report, "Worry Less, Spend Less: Out-of-Pocket Spending Caps Protect Families in Missouri," indicates that 285,100 Missourians under age 65 are in families that will spend more than the out-of-pocket caps for services that will be covered in the Affordable Care Act's essential benefits package. More than 200,000 of these are in families where at least one person is employed full- or part-time.

"As families struggle to find work and to pay for other basic needs, rising health care costs can put Missourians in a precarious financial situation," said Ruth Ehresman, Director of Health and Budget Policy for the Missouri Budget Project. "The caps on out-of-pocket spending can prevent a car accident or a cancer diagnosis from sending Missouri families over a financial cliff."

The caps will also have a broader impact, affecting Missourians whose out-of-pocket spending is lower. Currently, health care providers deliver a significant amount of uncompensated care, resulting in increased charges to insurers and consumers in an effort to recoup those costs. As a result, many companies and families opt for coverage that provides fewer benefits and more out-of-pocket costs for everyone. For those with chronic illnesses, or those in accidents or diagnosed with an acute illness, these costs can be catastrophic.

"As employer-sponsored insurance declines and individual health care spending increases, these caps will protect many Missouri families from financial ruin," continued Ehresman.

The report is available online at <http://familiesusa2.org/assets/pdfs/health-reform/out-of-pocket-spending-caps/Missouri.pdf>.