

**Educating Young Adult Consumers about the Costs of Health
Care and Health Insurance**

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Health care coverage in the form of managed care or insurance is increasingly necessary to access health care. In the last ten years, the health care system in the United States has moved to one emphasizing preventive care versus acute care (Rider, 1998). Expected consumer behavior is that consumers will have regular check ups rather than waiting for crises to occur that need immediate, more expensive treatment. Learning to monitor one's body systems with regular visits to one's primary care provider is believed to be important in maintaining health and thereby reducing the long term costs of health care.

Consumers are expected to be active participants in health care decisions for themselves and the family members for whom they are responsible (Howatt, 1999). To be an active participant in health care, young consumers need research skills to find reliable information about preventive practices, disease protocols, and costs of related care. The ability to ask informed questions of health care providers (physicians, nurses, nurse practitioners, etc.) is becoming imperative.

Maintaining coverage to pay the costs of care provides protections for both the individual and the health care system's financial viability. Health care costs continue to be one of the major reasons cited in personal bankruptcy filings (Martin, 2000). In addition, rural hospitals often must write off approximately 50% of their costs of care due to the inability to collect from patients (A. Klaasmeyer¹, personal communication, April 19, 2001).

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Health insurance data suggest young adults in the United States between the ages of 18-25 years do not pay attention to risks and health costs typical of their age group (National Health Interview Survey, 2001). As a group, these persons continue to stand out as those least likely to have health insurance coverage, with males more likely than females not to hold coverage. Young adulthood is a time of life when high-priced health events, such as childbirth or risks and accidents resulting in injury, are statistically more likely to occur. Many result in brain injury (Eberhardt, et al., 2001).

What are the implications of young adults' health care behaviors for consumer educators? Consumer educators can play an important role in preparing young adults for health care decisions. Therefore, the purpose of this paper is to present typical health care incidents for this age group, cost data, and health insurance information to support up-to-date consumer education instruction. By providing instruction, young adults and young families may be better prepared to stem the increasingly high costs of health care.

Health Care Incidence

Young persons between the ages of 15 and 24 years averaged fewer than two visits per person to physician's offices in 1998 (U. S. Census Bureau, 2000). Total visits to physician offices, out patient departments of hospitals, and emergency departments averaged 2.5 visits per person in this age group. Hospital discharge data indicates the list of primary diagnoses upon entering the hospital for this age group were lead by injuries and poisoning, followed by psychoses, diseases of the heart, and intervertebral disk disorders.

National health statistics indicate that the top causes of death for both males and females between the ages of 18 and 24 years in 1998 were: unintentional accidents, both vehicular and non-vehicular; homicide; suicide; malignant tumors; and heart disease (National Center for Health Statistics, 2001). Some of these injuries can be

relatively inexpensive. Others, however, lead the list of most expensive hospitalization costs.

Health Care Costs

Health care reform in the 1990s targeted the reduction of health care costs. As one method of retarding escalating costs, the U. S. health system moved to a philosophy of preventive care versus acute care. The philosophy embraces the idea that good health practices reduce or avoid the potential for poor health and injury. Avoiding risk of harm or injury is also a method of reducing health care costs including health insurance (Garman, 1997).

Among health care costs, those growing the fastest are health insurance and prescription drug costs (Kaiser Family Foundation, 2000). Average premiums on health insurance rose by 11% from Spring 2000 to Spring 2001. Predictions by Medical Expenditure Survey researchers are that out-of-pocket health expenditures will grow by 50% between 2000 and 2008 (Health Care Financing Administration, 1998). This information suggests that those 18 - 24 years of age will need to set aside a substantial portion of income for health expenses with or without health insurance.

Health Insurance

Over the past 20 years, insurers have adjusted certain portions of health insurance coverage to control costs. The most common adjustments are raising the copayments or deductibles for which consumers are responsible. With this particular age group, those 18 - 24 years of age, one trend has been to reduce the insurer's responsibility for the costs of mental health and substance abuse care. Parents of teenagers needing these treatments have found they must rely on their own financial resources to pay for the care or forego treatment.

Single youth may retain health care coverage through their parents as long as they remain in school or until they reach a

particular age (such as 23 years). State children's health insurance programs have improved access to health care for children (between the ages of birth and 18 years). However, after age 18, many do not have access to health care coverage through government programs or private purchases. Privately purchased comprehensive coverage is usually not affordable for those in minimum wage positions. If this is the case, and young adults feel they will not be using preventive care more than average for this group, perhaps purchase of surgical coverage and/or major medical coverage is more appropriate. The answer will vary by circumstance.

Part-time workers and small business employees are less likely to have access to employer-provided health care coverage than are those in full-time positions in larger companies. The former are typical job types for those who chose not to pursue a college education or who work to enable college attendance. For those who work for large employers or are union members, health care benefits are more likely. However, due to rising costs in the last few years, instead of comprehensive coverage, some employers offer less expensive coverage for their employees such as critical illness coverages such as "cancer insurance". The needs of most young adults or young families may not be met in such situations. Therefore, knowing appropriate questions to ask employers, insurance salespersons, or benefit officers could be a focus of high school consumer education classes.

Concept Appropriate Teaching Activities

The complexity of health care as an economic good and its resulting costs presents a tremendous challenge to the consumer educator. However, the potential benefit of such knowledge is great for the young adult consumer.

Analyzing case studies/scenarios for potential risks and associated financial costs personalizes the health care and financial environment in which it places the student. Use of the library

and/or Internet can provide the risk and financial information necessary to complete the assignment. Such information is available from local, state, or national health and human service sites. The following case examples are offered.

1. Mark Martinez graduated from high school last month. He began a new job at the local drug store last week. Because it is a small business with 10 employees, the drug store owner does not offer health insurance benefits. Mark is eager to move into his own apartment with friends. He says he can afford to purchase health insurance at this time. What are the risks he faces for each of the following and the associated costs of care?
 - a) carrying out his normal job responsibilities in stocking shelves and sales;
 - b) participating in basketball leagues for someone his age and gender; and
 - c) moving furniture and belongings to his new apartment?

2. Mindi Schmidt is a 22-year-old recent widow with a 3-year old son. Her husband had not completed high school and was a cross-country semi-truck driver. She and her husband had not purchased life insurance. Consequently, she must go to work to support herself and her son. She has taken a job at the large department store in the mall to build her resume and to pay bills from her husband's traumatic accident and funeral. Her second job (at night) is at the fast food restaurant near her home. Both jobs offer only worker's compensation coverage, with the department store also offering critical illness insurance. Her parents will provide free babysitting for her son for two years.
 - a) What recommendations would you have for Mindi relative to covering health care for her and her son?
 - b) What risks should Mindi consider to plan for preventive care and coverage of health care for herself and her son?

3. Matt Jones was hanging out with his buddies one night after high school graduation. Some substance abuse was involved. Matt took a dare to dive into the big lake just outside of town. Unfortunately, it was a shallow spot, and he incurred a spinal cord injury.
 - a) How long might Matt be expected to be in the hospital? In physical therapy?
 - b) What are the potential costs for his care and rehabilitation until he can resume his plans to attend college?
 - c) What questions should he ask the college regarding getting to, from, and around campus if he is confined to braces and crutches for his college career?

A similar educational activity would be to have students research their potential job path, documenting wages, salary and benefit information. Have students describe favorite activities performed alone or with friends such as sports or "hanging out." Students can then create a more personal scenario of risks and cost factors for purposes of developing a plan to cover their own needs up to age 25. *Web sites used in the preparation of this article can serve as a base from which to begin a search strategy. Additional sites are provided in the appendix.

These activities assist students in preparing questions they might ask employers, insurance salespersons, or benefit officers. Some questions to include might be:

1. What insurance do you provide for employees? When does my insurance start? What does it cost me? What does it cost you?
2. Does my insurance cover me all the time or only when I'm on the job? Does it cover preventive health care visits (physician visits when not sick)? Does it cover major medical costs should I need surgery? Does it cover costs of physical

therapy? Mental health care? Medical equipment such as crutches or wheel chairs?

The exercises described offer the opportunity for students to explore the risks associated with typical costs. In addition, it offers the teacher the opportunity to coordinate instruction with state standards as well as with U. S. government, math, or health instructors. The desired outcome of the exercise is a more informed young person who can be an active, responsible participant in his or her own health care making appropriate financial decisions to cover the costs of health care throughout the lifetime.

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Appendix

<u>Organization</u>	<u>Web site Information</u>
Health Care Statistics	http://www.cdc.gov/nchs/about.html http://www.census.gov/prod/www/statistical-abstract-us.html
Centers for Disease Control	http://www.cdc.gov/
Henry J. Kaiser Family Foundation	http://www.kff.org/content/archive/1429/
Families USA	http://www.familiesusa.org/
State Level Vital Statistic Information	http://www.depts.washington.edu/~hsic/phealth/state/state-vs.html
National Insurance Commissioners Association	http://www.naic.org/splash.htm
Health Insurance Costs and Policy Information	http://www.insure.com

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