




# Using the MEPS-HC For State-Level Estimates of High Financial Burden

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# Introduction

- Affordability central to national health reform
- Financial burden of medical care increasing nationally
- State variation in financial burden likely to be substantial
- Suggests that states will be affected differently by affordability provisions in health reform



# MEPS – Household Component

- Conducted annually since 1996
- Detailed information on health care expenditures, insurance coverage, and family income
- Provider followbacks to verify use and expenditures
- Representative of civilian, noninstitutionalized population in U.S.



# State-level capability of MEPS-HC

- NHIS sample frame – selection of PSUs stratified by state
- 29 states have sufficient number of PSU's and sample to support state estimates (most have at least 4 PSUs)
- Pooling of multiple years increases precision of state estimates
- Weights post-stratified to state totals based on CPS



# Sample sizes for 10 largest states (less than age 65)

	<b>2006</b>	<b>2004-2006</b>
CA	4,600	13,400
TX	3,300	10,400
NY	1,600	4,900
FL	1,400	4,300
IL	1,100	3,500
AZ	900	2,600
OH	1,000	2,600
NC	1,000	2,700
MI	1,000	2,600
PA	800	2,600

Source: MEPS-HC 2004-2006



# Sample sizes for 10 smallest states (less than age 65)

	<b>2006</b>	<b>2004-2006</b>
OR	500	1,400
MD	500	1,700
LA	400	1,200
CT	400	1,200
SC	400	1,000
OK	400	1,000
CO	400	1,000
AL	300	1,100
IN	300	900
MA	300	900

Source: MEPS-HC, 2004-2006

# Measure of financial burden

- Out-of-pocket spending relative to family income
- Includes spending for premiums and services
- Before-tax family income
- High burden defined as OOP spending greater than 10% of family income

# National trends in financial burden

	<b>Family Income</b>	<b>Average spending on premiums</b>	<b>Average spending on services</b>	<b>% spending GT 10% of income</b>
2001	\$62,000	1,300*	1,150*	14.4*
2004	\$61,400	1,570*	1,280	16.4*
2006	\$61,100	1,720	1,370	19.1

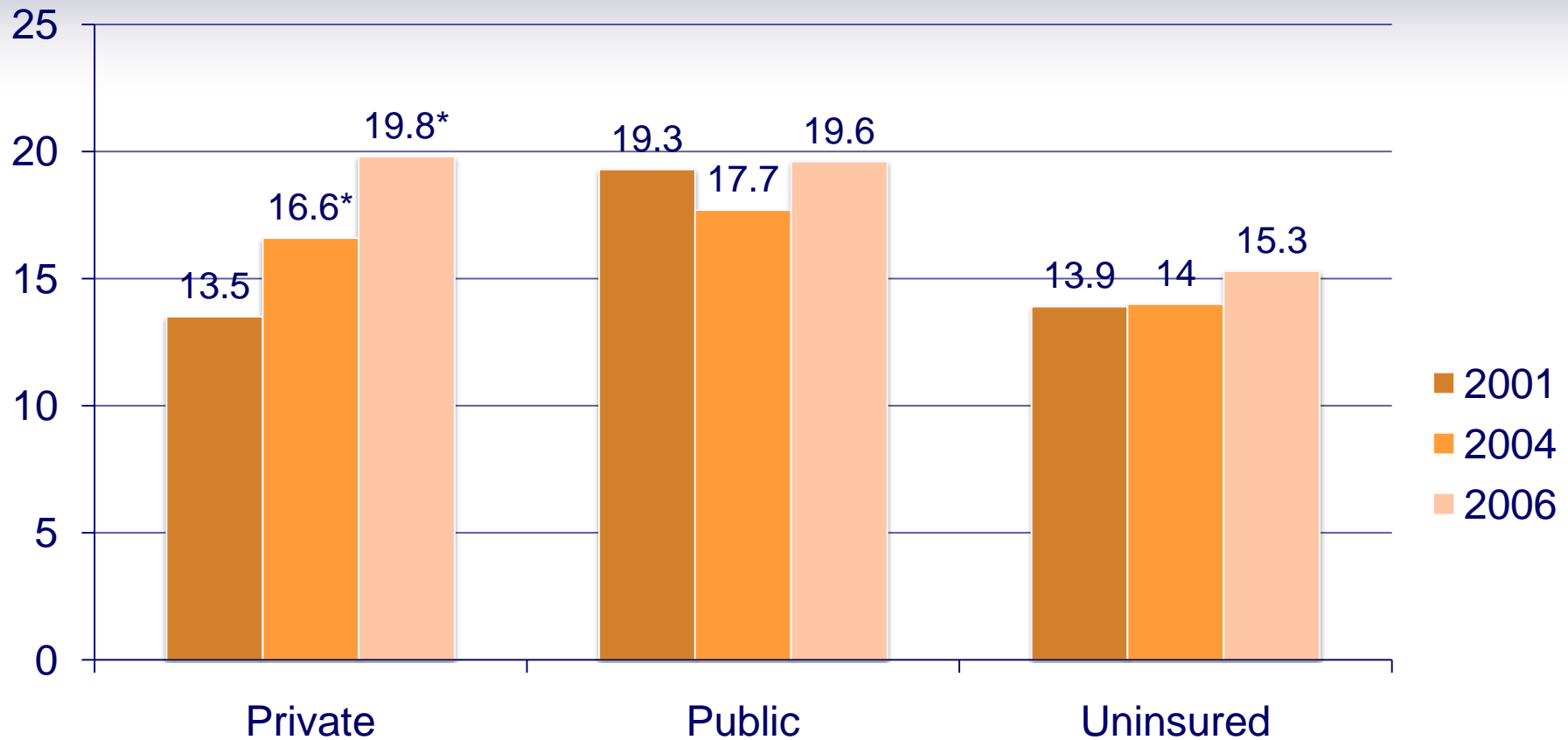
Income and expenditures are in 2006 dollars

\* Difference with 2006 is statistically significant at .05 level

Source: MEPS-HC 2001, 2004, 2006



# High financial burden by insurance coverage



\*Change since 2001 is statistically significant at .05 level

Source: MEPS-HC, 2001, 2004, 2006

# Insured with high financial burden in 10 largest states, 2004-2006

	% insured with high burden	Standard error	Change from 2001-2003
<b>TOTAL U.S</b>	<b>15.7</b>	<b>0.3</b>	<b>1.9</b>
CA	12.4*	0.76	1.2
TX	14.6*	0.81	0.9
NY	16.0	1.69	3.0
FL	16.3	0.9	-0.1*
IL	13.8*	1.0	-1.4*
AZ	13.2*	1.19	-0.5*
OH	16.6	2.0	1.8
NC	18.9*	1.03	3.9*
MI	14.5	0.95	1.8
PA	17.2*	1.37	0.3

\*Difference with total U.S. is statistically significant at .05 level

Source: MEPS-HC, 2001-2006



# Insured with high financial burden in 10 smallest states, 2004-2006

	<b>% insured with high burden</b>	<b>Standard error</b>	<b>Change from 2001-2003</b>
<b>TOTAL U.S</b>	<b>15.7</b>	<b>0.3</b>	<b>1.9</b>
OR	17.4*	1.26	3.4
MD	15.6	1.54	6.5*
LA	19.3	4.24	0.9
CT	17.2	1.78	6.7*
SC	20.0	4.34	3.3
OK	24.8*	3.65	7.7*
CO	15.5	2.79	0.9
AL	26.4*	3.64	5.6
IN	14.6	2.61	0.6
MA	14.9	1.49	2.2

\*Difference with total U.S. is statistically significant at .05 level

Source: MEPS-HC, 2001-2006



# States with highest and lowest financial burden, 2004-2006

	% hi burden (insured)	% uninsured	Family income (thousands)	OOP premium	Total health care \$
<b>Hi burden</b>					
AL	26.4*	14.1	54*	2,400	7,520
OK	24.8*	25.0*	56*	2,970*	7,670
TN	21.8*	10.2*	70	2,700	8,200
KY	21.2*	16.2*	61*	2,000*	7,640
SC	20.0	13.2	68	2,500	8,060
<b>Lo burden</b>					
WA	14.3*	11.2*	85*	2,040*	7,410
GA	14.1	16.1*	74	2,110	6,700
IL	13.8*	13.6	74	2,070	8,660
AZ	13.2*	16.1*	74	2,240	6,280*
CA	12.4*	18.0*	78	2,090*	6,550

\*Difference with Total U.S. is statistically significant at .05 level

Source: MEPS-HC, 2004-2006



# Limitations of MEPS-HC for state estimates

- Can't do for 21 states (mostly small and rural)
- Limited ability to analyze subgroups
- State identifiers and weights not on public use files
- Lag in availability of state estimates at data centers