

Research Brief

Cost of Health Care Remains a Major Issue Among Hispanics in New Mexico

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Executive Summary

A new poll of Latino/Hispanic adults in New Mexico, commissioned by the Robert Wood Johnson Foundation Center for Health Policy (RWJF-CHP) along with NMCARES-HD and administered by Latino Decisions, queried 600 Latino/Hispanic adults living in New Mexico regarding their knowledge of the new health care law, exposure to outreach efforts, perception of their own health care as impacted by the law, and their actual experience with the state's exchange program. We focus our attention in this policy brief on the costs associated with health care and find that financial costs remain a significant barrier to care for many Hispanic adults in New Mexico, and is a major factor driving health care decisions.

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The Economic Context of New Mexico

Even if small, any increased costs associated with health care at the individual level could be devastating to Hispanics in New Mexico given the economic challenges currently facing the state's population. According to the U.S. Census Bureau, in 2013 20.4% of New Mexicans were below the poverty level, compared to the national rate of 14.5%. As has been well documented, poverty is even a greater concern for the children of the state, with 28.9% of children in New Mexico below the poverty level, compared to 19.9% at the national level. Hispanic children are more likely to live in poverty than non-Hispanic white children.¹ In 2013, the median household income of New Mexican residents was 16% lower than the national rate, at \$44,026 compared to \$52,250.

New Mexico's economy has also been slow to rebound from the recession. From 2010 to 2013 states across the nation saw an average increase of \$1,106 in their median household income, while New Mexico only had an increase of \$546.² And although the annual average unemployment rate of New Mexico has decreased from 8.1% to 6.5% between 2010 and 2014, New Mexico's unemployment rate remains the 46th worst in the nation. Our survey results regarding health care costs should be interpreted against the backdrop of the state's overall economic reality.

Costs of Health Care Taking a Toll on The Hispanic Population

Results from the New Mexico Hispanic ACA and Health Survey strongly suggest that the costs associated with health care pose significant challenges to the already disadvantaged Hispanic community in New Mexico. This is apparent across a number of items measured in the new poll, including a set of questions that asked respondents directly whether any of a number of specific issues were problematic for them over the past year. We found that 48% of respondents found the "costs for paying for health care including co-pays" was a problem, with 24% indicating that this was a major problem. This is significantly higher than "difficulties communicating with providers", "access to a permanent place to go for health care", or "access to health care due to transportation or distance from a provider." The only issue that is comparable to the "costs for paying for health care" in our battery was the "wait time to get an appointment to see a doctor".

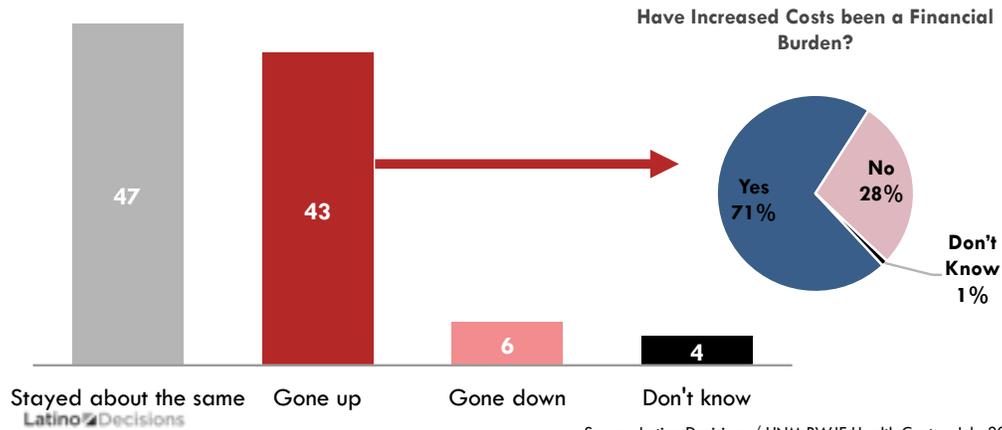
The survey also asked respondents to provide an assessment of whether the costs of their health care had changed over the past year. As depicted in the figure below, while the modal response category was "stayed about the same," a robust 43% of respondents indicated that the costs of their care have "gone up," compared to only 6% who reported that the costs of their care had "gone down." The survey asked a follow up question for the 43% who reported that the cost of their care had "gone up" to determine if this additional cost has been a financial burden for them. As the figure below illustrates, an overwhelming 71% of those who have seen the costs of their health care go up over the last year reported that this has been a financial burden.

¹ http://www.borderhealth.org/files/res_798.pdf

² <https://www.census.gov/content/dam/Census/library/publications/2014/acs/acsbr13-02.pdf>

The Costs of Health Care

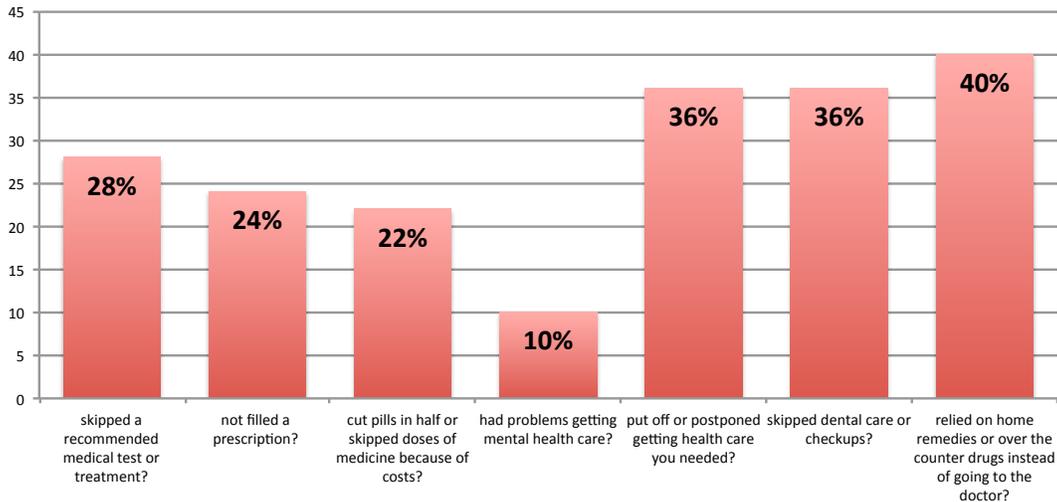
In the past year has the amount you pay for health care...



The survey also provides the opportunity to better understand the impact of medical care costs to Hispanic families in New Mexico through the responses to questions specifically aimed at understanding the relationship between costs and medical seeking behavior and the impact of medical bills on a household's overall financial situation. The figure below illustrates how the cost of medical care is influencing the ways in which the Hispanic population interacts with the health care system. As you can see below, 40% of the sample have "relied on home remedies/over the counter drugs rather" than seeing a doctor, with 36% reporting that they have "postponed getting health care they needed" and "skipped dental care or checkups." This question reveals that 22% of the sample have "cut pills in half or skipped doses" and 24% "not filled a prescription." Another 28% reported that they have "skipped a medical test or treatment," suggesting that preventative care will need to be more affordable if utilized more universally. Finally, one out of every ten Hispanic adults in New Mexico had trouble "getting mental health care" due to the costs.

The Impact of Medical Expenses on Health Seeking Behavior

In the past twelve months, have you or another family member living in your household done any of the following because of costs:

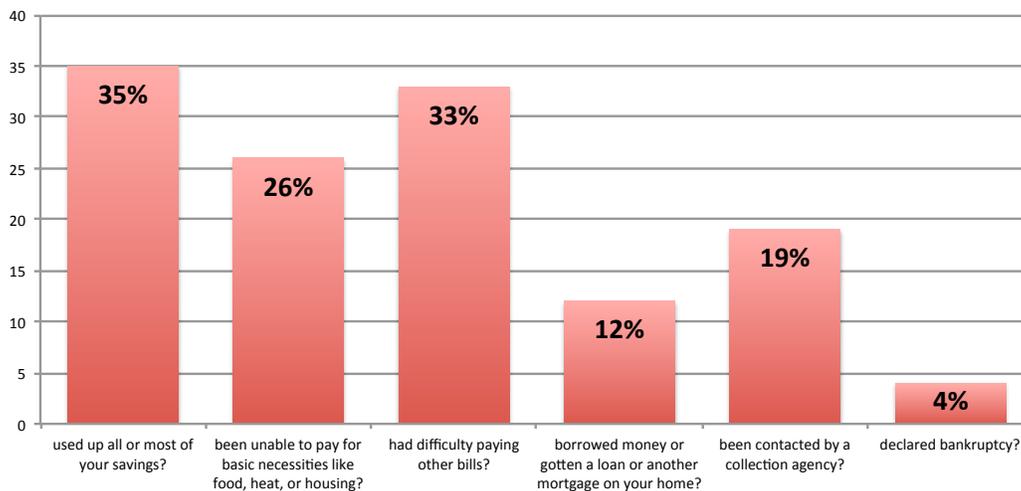


Source: Latino Decisions / UNM RWJF Health Center, July 2015 n=600

The survey also explores how the cost of medical bills may be causing overall financial stress among Hispanics in New Mexico. We believe that this is the most compelling data related to this aspect of the survey, as the consequences of rising medical bills have been devastating to many Hispanic families over the past year. For example, over a third (35%) of Hispanics have “used up all or most of their savings” because of medical bills, and a third (33%) have “had difficulty paying other bills.” Many Hispanic families also have to make tough decisions regarding which bills to pay, with 26% indicating that they have “been unable to pay for basic necessities like food, heat, or housing” because of medical bills. In the past year, 12% of Hispanic New Mexicans have had to “borrow money, get a loan or get another mortgage” due to medical costs. Finally, we find that nearly 20% of Hispanics in New Mexico have been “contacted by a collection agency” and 4% have had to “declare bankruptcy” due to their medical bills. When taken as a whole, the survey provides clear evidence that Hispanic families in New Mexico are having a difficult time handling the rising costs of health care at a time when the state’s economy continues to remain stagnant.

The Impact of Medical Expenses on Financial Security

In the past twelve months, because of medical bills, have you:



Source: Latino Decisions / UNM RWJF Health Center, July 2015 n=600

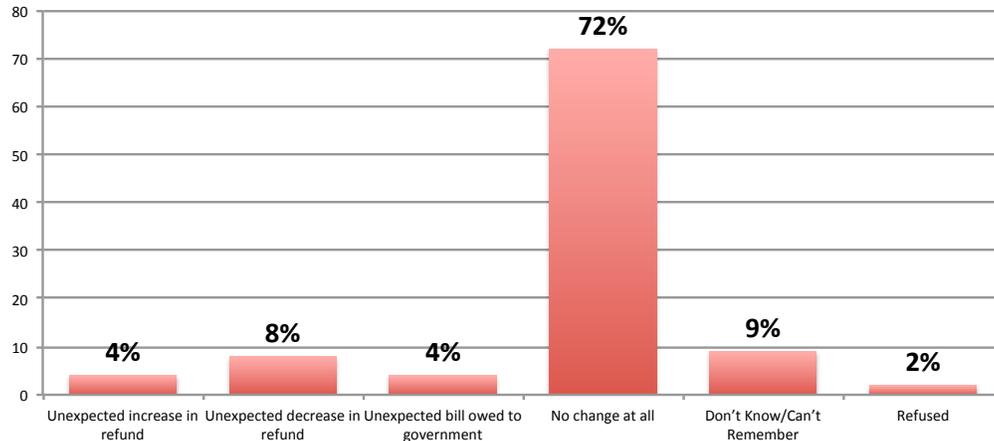
Tax Implications Associated With the Affordable Care Act

Under the ACA an individual is determined eligible for a subsidy for health insurance based on household income and family status. Some individuals who received subsidies for health insurance through the state or federal marketplaces had unexpected tax returns, either higher or lower than anticipated and in some cases they owe the IRS. Once tax season came around, some individuals who had increases in their household incomes or a change in family status sometimes were no longer eligible for subsidies and owed the government money. In addition, the fee for not having health insurance increased this tax season from \$95 or 1 percent of your income to \$325 or 2 percent of your income, unless exempted.³ As reflected in the figure below, our survey suggests that most Hispanic adults in New Mexico did not see any changes during tax filing last year (72%), with only 8% reporting that they had an “unexpected decrease in refund” and 4% reporting “an unexpected bill to the government”.

³ <http://kff.org/health-reform/issue-brief/repayments-and-refunds-estimating-the-effects-of-2014-premium-tax-credit-reconciliation/>

Tax Implications Associated With the Affordable Care Act

When it came filing your taxes after signing up for health insurance, did you receive an unexpected increase in your refund, an unexpected decrease in your refund, an unexpected bill owed to the government (Federal or State), or was there no change at all?



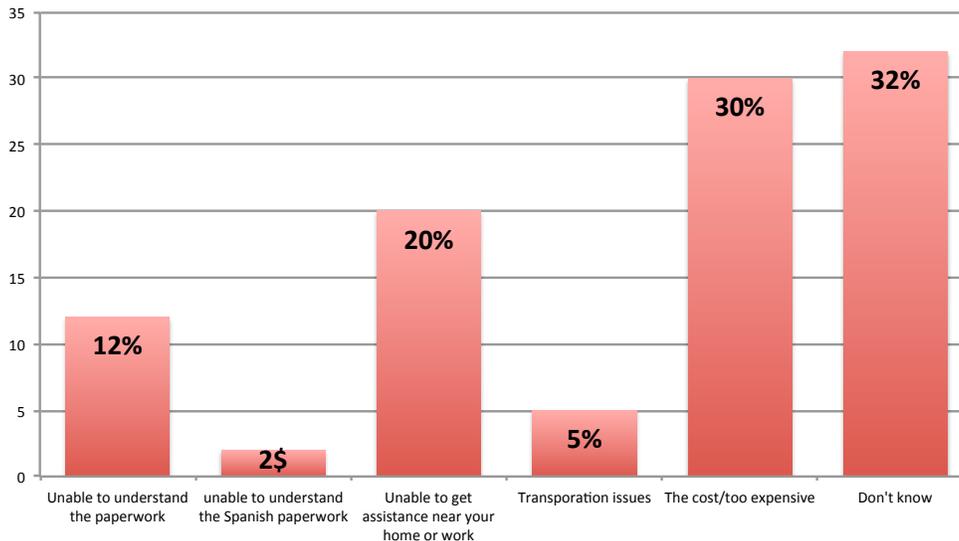
Source: Latino Decisions / UNM RWJF Health Center, July 2015 n=600

Cost is the Biggest Barrier to Insurance for Hispanics In New Mexico

The survey also included questions specific to those who attempted to enroll in the New Mexico exchange but were not able to do so. For example, we asked “what was the most significant barrier that prevented you from enrolling?” As depicted in the figure below, nearly a third (30%) reported that insurance “was too expensive,” compared to smaller percentages who said it was due to “not being able to understand the paperwork” (14%) or being “able to get assistance near home or work” (20%). We also asked the full sample that did not enroll through the New Mexico exchange the main reason that they did not sign up. Although lower than those who reported that they were satisfied with their current coverage, 15% indicated that they did not enroll because it was “too expensive.”

Reasons for not Enrolling in Health Insurance Through the Exchange

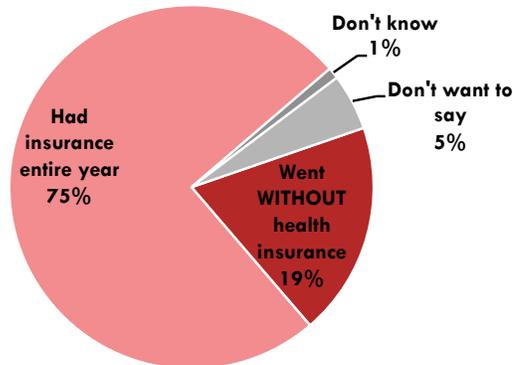
What was the most significant barrier that prevented you from enrolling [in health insurance through the exchange]?



Source: Latino Decisions / UNM RWJF Health Center, July 2015 n=600

The next indicator of how much costs of insurance is serving as a barrier to access to coverage for Hispanic New Mexicans is illustrated by the figure below. Here we asked respondents who reported that they were under-insured at some point in the last year what the main reason was that they did not have insurance. We see here that while more than a third of the sample reported that it was because the insurance systems were “too hard to figure out,” another 26% reported that they “could not afford it.” When taken together, these measures reveal that the cost and complexity of acquiring health insurance is an obstacle to coverage for many Hispanic adults and families in New Mexico.

Ever go Without Insurance in last 12 Month?



Main Reason Did Not Have Insurance

- | | |
|---------------------------------|-----|
| 1. Too hard to figure it out | 35% |
| 2. Could not afford it | 26% |
| 3. Turned down by insurance co. | 15% |
| 4. Can't get through my work | 5% |
| 5. I don't need it, I'm healthy | 4% |

LatinoDecisions

Source: Latino Decisions / UNM RWJF Health Center, July 2015 n=600

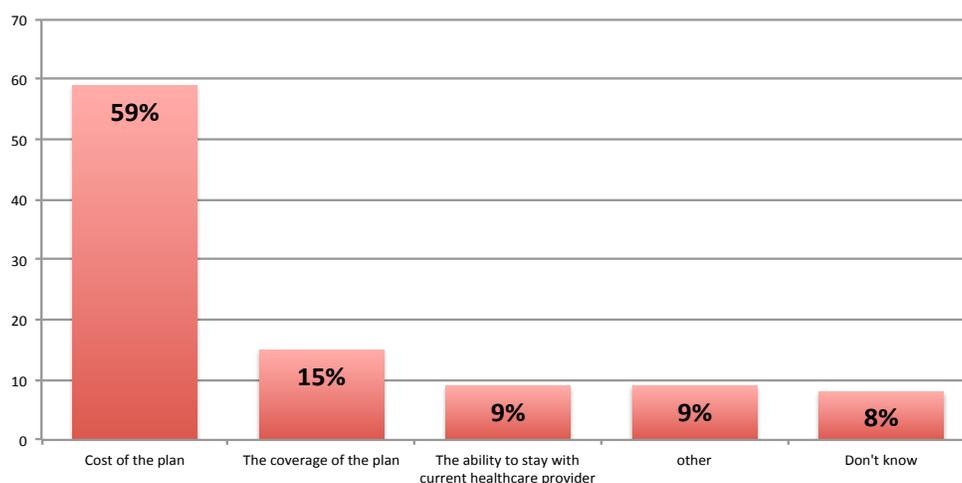
This finding is supported by data from two focus groups that were conducted as part of our overall study to help inform our survey instrument. During focus group discussions, participants indicated that they, and people they know and/work with, felt that acquiring insurance was more expensive than they anticipated. This was most apparent among folks who did not have insurance prior to attempting to enroll through the exchange. Focus group participants also indicated that they had experienced significant confusion when attempting to enroll through the exchange. They indicated that this was especially true for Spanish-only speakers.

Although an in-direct assessment of how costs might influence access to care, we also asked respondents about their attitudes or perceptions about health insurance. These are based on statements reflecting attitudes people may have that would negatively impact their likelihood of acquiring health insurance. Cost is once again relevant, as 47% of respondents agreed with the statement that “health insurance is not worth the money that it costs” compared to a smaller 32% who agreed with the statement “I’m healthy and do not really need health insurance.”

Finally, the survey also queried respondents who were able to enroll in health insurance through the NM-HIX what the important criteria was for them when choosing their health insurance plan. Consistent with the overall theme of this brief, a robust 59% of Hispanic adults indicated that the “cost of the plan” was the most important criteria (see figure below). This compares to a much smaller percentage who reported that it was the “coverage of the plan” (15%) or “the ability to stay with current healthcare provider” at 9%.

Criteria for Choosing Health Insurance

When choosing your health insurance plan, what was the most important criteria?



Source: Latino Decisions / UNM RWJF Health Center, July 2015 n=600

Survey Methodology

Latino Decisions surveyed a representative sample of 600 Hispanic/Latino adults in New Mexico between June 16 and July 14, 2015. Surveys were implemented to randomly selected phone numbers, conducted via live, person-to-person (i.e. not robocalls) phone calls, and Email addresses. Respondents were reached on a combination of both landline and mobile phones, as well as through Email. The average household income of respondents was between \$20,000 and \$39,000. Interviews were conducted in English (82%) or Spanish (18%), according to the respondent's choice. All interviewers were fully bilingual. The survey carries a margin of error of +/- 4 percentage points, and the survey was informed by focus groups conducted prior to the implementation of the survey.

About the Authors

[Gabriel R. Sanchez](#) is an Associate Professor of Political Science at the University of New Mexico (UNM), the Executive Director of the RWJF Center for Health Policy at UNM, and the Director of Research for Latino Decisions. [Sam Howarth](#) is a Senior Fellow of the RWJF Center for Health Policy and a Research Assistant Professor in the Department of Economics at UNM. [Maria Livaudais](#) is a PhD candidate in Political Science and a UNM Center for Health Policy Fellow at UNM. [Bárbara Gómez-Aguñaga](#) is a PhD student in Political Science and a Research Assistant at the RWJF Center for Health Policy at UNM.