

HEALTH CARE

Managing Your Health Care



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**Activity-
Critical
Thinking**

Watch Video - Why Americans Have So Much Medical Debt

<https://www.youtube.com/watch?v=-ioosWOWSxQ>

Classroom Discussion Questions

1. Analyzing the Causes of Medical Debt: The video outlines several factors contributing to the high levels of medical debt in the U.S., including the rise of high-deductible health plans and the shift in cost-sharing to patients. Discuss how these factors interrelate and contribute to the burden of medical debt on individuals. What role do you think insurance companies and healthcare providers play in this issue?

Sample Answers:

- Factors such as high medical care prices, the rise of high-deductible health plans, and increased cost-sharing shift more financial responsibility to patients, contributing to medical debt. Insurance companies play a role by designing plans that require higher out-of-pocket costs, while healthcare providers contribute through setting high service prices.
- The interrelation of these factors creates a system where even insured individuals can face significant financial burdens due to healthcare costs. Insurance companies aim to control usage by making patients more cost-conscious, but this can also deter necessary medical care. Healthcare providers, facing their reimbursement challenges, may also contribute to cost inflation.

2. The Impact of Health Insurance Evolution: The transition from fee-for-service models to managed care (HMOs, PPOs) and high-deductible health plans was meant to control healthcare costs. However, the video suggests these changes may have inadvertently contributed to the medical debt crisis. Evaluate the effectiveness of these models in achieving their intended goals. Do you think the shift towards patient responsibility for costs has been beneficial or harmful overall?

Sample Answers:

- Managed care models like HMOs and PPOs, along with high-deductible health plans, were introduced to control rising healthcare costs by making patients more responsible for their healthcare spending. However, while these models have controlled costs to some extent, they have also made healthcare less accessible to some due to high out-of-pocket costs, contributing to the medical debt crisis.
- The shift towards greater patient responsibility for costs has had mixed effects. It has made some consumers more mindful of healthcare spending but has also led to increased medical debt and instances where individuals forego necessary care due to cost concerns, potentially leading to more severe health issues and higher costs in the long run.

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Classroom Discussion Questions (cont.)

3. Solutions to the Medical Debt Crisis: Based on the video, the introduction of health insurance and changes in Medicare reimbursement have had significant impacts on healthcare costs and medical debt. Propose potential solutions or reforms to the U.S. healthcare system that could address the root causes of medical debt. Consider the roles of price transparency, preventative care, and out-of-pocket limits in your discussion.

Sample Answers:

- Solutions could include increasing price transparency in healthcare to enable patients to make more informed choices, emphasizing preventative care to reduce the need for expensive treatments, and implementing caps on out-of-pocket expenses to protect consumers from catastrophic healthcare costs.
- Other reforms might include expanding insurance coverage to reduce the number of high-deductible health plans, regulating healthcare prices to prevent excessive billing, and improving the efficiency of healthcare delivery to reduce overall costs.

Question for Further Research

Comparative Healthcare Systems: The video mentions that other countries, unlike the U.S., impose effective limits on out-of-pocket expenses for healthcare. Research how the health insurance industry operates in one other country (e.g., the UK, Germany, or the Netherlands). Compare and contrast this system with the U.S. health insurance industry, focusing on how each system addresses or prevents the issue of medical debt among its population. What lessons could the U.S. potentially learn from the healthcare policies and practices of this country?

Sample Answers:

- In countries like the UK, Germany, or the Netherlands, the health insurance industry operates within systems that either provide healthcare directly through government-funded services (e.g., the UK's National Health Service) or through compulsory health insurance with defined benefits and strong regulations on out-of-pocket expenses.
- These systems differ from the U.S. by offering universal coverage, regulating healthcare prices more strictly, and limiting patient cost-sharing, effectively reducing the incidence of medical debt. For instance, Germany's system features sickness funds that cover all citizens with comprehensive benefits and regulated copayments, ensuring healthcare costs do not lead to financial hardship.
- The U.S. could potentially learn from these systems by adopting measures that ensure healthcare affordability for all, such as regulating healthcare prices, limiting out-of-pocket costs, and providing more comprehensive insurance coverage. Adopting preventative care measures and emphasizing primary care could also reduce long-term healthcare costs and improve public health outcomes.