

Who Pays More for Medical Expenses and Health Insurance Premiums?

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This study sought to investigate household socio-demographic characteristics as predictors of patterns of health insurance premiums and medical expenses of consumers using the 2014 Consumer Expenditures Survey. The most common types of insurance plans were health maintenance organization and fee for service plan. The households who had the health maintenance organization plans spent more on health insurance premiums but spent less on the payments for medical expenses. Nearly two-thirds of households obtained group policies through their place of employment. The households who obtained individual policies spent more on both health insurance premiums and the payments for medical expenses. This study found that age, being married, educational attainment, and log of family salary income were associated with higher family spending on both health insurance premiums and medical expenses. Government employment status was associated with lower spending on health insurance premiums and medical expenses. Findings from this research provide an important role for households in determining health insurance premiums and medical expenses throughout the life course as well as financial advisors in personal financial planning and counseling focused on health care. Further, policymakers can also legislatively apply the findings in recognizing the importance of factors affecting household health care decisions and use this information as the basis for providing guidelines and developing recommended strategies to improve health care service use among U.S. populations.

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