

Answers to the research questions that people are asking about Latinos' health and interactions with the health care system

## QUESTION 9: What is the cost of health care received by Latinos, and who pays for it?

**ANSWER:** Health care costs attributed to Hispanics,<sup>1</sup> which include safety-net spending and uncompensated care,<sup>2</sup> are disproportionately lower than those of non-Hispanics. Uninsured Latinos are more likely than insured Latinos to pay out of pocket for medical services, even among low-income families.

### OVERALL HEALTH CARE EXPENDITURES

Health care expenditures are lower per capita for Hispanics than for non-Hispanics.

- Although Hispanics made up close to one-sixth (15.8%) of the nonelderly population (under age 65) in 2006, the cost of Hispanics' health care represented less than one-tenth (9.4%) of all health expenditures for the nonelderly<sup>3</sup> (see Figure 1).
- Overall, among people age 64 and younger, the median expenditure for all types of health care services was \$484 for Hispanics, less than half of the median expenditure for non-Hispanic Whites (\$1,116).<sup>4</sup>
- Similarly, the median expenditure for elderly Hispanics (age 65 and older) was lower (\$3,479) than that of Whites in the same age group (\$4,357).<sup>5</sup>

### SOURCES OF PAYMENT FOR HEALTH CARE

Despite Hispanics' poor access to health insurance, their health care costs do not account for the bulk of safety-net program spending or uncompensated care cost.

- Among the nonelderly population, private health insurance was the most common method of payment for both Hispanics and non-Hispanic Whites. However, private coverage paid a greater proportion of overall health care expenses for Whites (59.1%) than for Latinos (38.4%).<sup>6</sup>
- Although the majority of Latinos are income-eligible for Medicaid and the Children's Health Insurance Program (CHIP), they represent a fraction of program expenditure costs. Health care costs for non-Hispanic Whites made up the largest portion (44.6%) of total Medicaid/CHIP spending on children and nonelderly adults in 2006, followed by Blacks (26.4%) and Hispanics (23.4%).<sup>7</sup> This is the case despite the fact that Latino and Black children are more likely (60.8% and 60.1%, respectively) than non-Hispanic White children (26.2%) to be income-eligible for these programs.<sup>8</sup>
- Recent estimates by the New America Foundation show that even with the highest rate of uninsurance in the country<sup>9</sup> and a lower income level than non-Hispanic Whites, Hispanics were responsible for only 24.4% of uncompensated care in 2004, compared to Whites at 55.6% (see Table 1).<sup>10</sup>

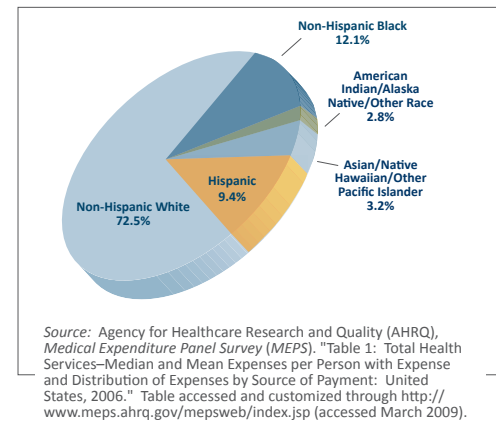
### OUT-OF-POCKET PAYMENTS

Low-income, uninsured Latinos are likely to pay for their health care costs out of pocket.

- Overall, nonelderly Latinos paid for more than one-sixth (17.6%) of their health care costs out of pocket in 2006. However, these out-of-pocket costs varied by insurance status. Uninsured Latinos paid more than half (54.1%) of their health care expenses out of pocket while Latinos with both private and public coverage paid a much smaller amount (18.5% and 8.3%, respectively).<sup>11</sup>
- Uninsured Latinos living in low-income households paid an even higher percentage (59.7%) of their health care costs out of pocket than uninsured, middle-income Latinos (48.7%).<sup>12</sup>
- Although low-income, uninsured Latinos had lower total health care expenditures than their insured counterparts in 2006, they paid more total dollars out of pocket<sup>13</sup> (see Table 2).

**Figure 1:**

Total U.S. Health Care Expenditures for People Age 64 and Under by Race/Ethnicity, 2006



**Table 1:**

Comparison of Uncompensated Care Recipients and the Uninsured Population by Race/Ethnicity, 2004

	Distribution of Population to Receive Uncompensated Care at Some Point, 2004	Distribution of Population Uninsured for Full Year, 2004*
Non-Hispanic White	55.6%	47.3%
Non-Hispanic Black	17%	15.1%
Hispanic	24.4%	30.6%
Asian	3%	4.3%

\* The uninsured total does not equal 100% due to the omission of data for American Indians/Alaska Natives and Native Hawaiians/Other Pacific Islanders in the uncompensated care data.

Source: Sarah Axeen and Elizabeth Carpenter, *Who Receives Uncompensated Care?* (Washington, DC: New America Foundation, 2008), [http://www.newamerica.net/files/Who\\_Receive\\_Uncompensated\\_Care.pdf](http://www.newamerica.net/files/Who_Receive_Uncompensated_Care.pdf) (accessed March 2009); NCLR calculation using U.S. Bureau of the Census, "2005 Annual Social and Economic Supplement," *Current Population Survey*. Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2008, [http://www.census.gov/hhes/www/cps/cps\\_table\\_creator.html](http://www.census.gov/hhes/www/cps/cps_table_creator.html) (accessed March 2009).

**Table 2:**

Out-of-Pocket Health Care Costs for Low-Income, Nonelderly Latinos by Insurance Status, 2006

Insurance Status	Total Expenses (in millions)	Percentage Paid Out of Pocket	Total Paid Out of Pocket (in millions)
Private Coverage	\$4,544	16.2%	\$736
Public Coverage	\$4,443	9.8%	\$435
Uninsured	\$1,432	59.7%	\$855

Source: Agency for Healthcare Research and Quality (AHRQ), *Medical Expenditure Panel Survey (MEPS)*, "Table 1: Total Health Services—Median and Mean Expenses per Person with Expense and Distribution of Expenses by Source of Payment: United States, 2006." Table accessed and customized through <http://www.meps.ahrq.gov/mepsweb/index.jsp> (accessed March 2009).

## Endnotes

<sup>1</sup> The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. Furthermore, unless otherwise noted, estimates in this document do not include the 3.9 million residents of Puerto Rico.

<sup>2</sup> Uncompensated care is health care that is delivered but is not paid for by the patient or a third-party payer (such as an insurer).

<sup>3</sup> Agency for Healthcare Research and Quality (AHRQ), *Medical Expenditure Panel Survey (MEPS)*, “Table 1: Total Health Services—Median and Mean Expenses per Person with Expense and Distribution of Expenses by Source of Payment: United States, 2006.” Table accessed and customized through <http://www.meps.ahrq.gov/mepsweb/index.jsp> (accessed March 2009).

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> NCLR calculation using data from U.S. Bureau of the Census, “2007 Annual Social and Economic Supplement,” *Current Population Survey*. Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2008, [http://www.census.gov/hhes/www/cpstc/cps\\_table\\_creator.html](http://www.census.gov/hhes/www/cpstc/cps_table_creator.html) (accessed March 2009).

<sup>9</sup> In 2004, about one in three (31.8%) Hispanics was uninsured, compared to about one in ten (10.5%) non-Hispanic Whites, one in seven (15.2%) Asians, one in five (18.6%) non-Hispanic Blacks, and one in four American Indians/Alaska Natives (26.3%) and Native Hawaiians/Other Pacific Islanders (24.1%). NCLR calculation using data from U.S. Bureau of the Census, “2005 Annual Social and Economic Supplement,” *Current Population Survey*. Conducted by the Bureau of the Census for the Bureau of Labor Statistics. Washington, DC, 2008, [http://www.census.gov/hhes/www/cpstc/cps\\_table\\_creator.html](http://www.census.gov/hhes/www/cpstc/cps_table_creator.html) (accessed March 2009).

<sup>10</sup> Sarah Axeen and Elizabeth Carpenter, *Who Receives Uncompensated Care?* (Washington, DC: New America Foundation, 2008), [http://www.newamerica.net/files/Who\\_Receives\\_Uncompensated\\_Care.pdf](http://www.newamerica.net/files/Who_Receives_Uncompensated_Care.pdf) (accessed March 2009).

<sup>11</sup> AHRQ, *MEPS*, “Table 1.”

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.