

## STATISTICAL BRIEF #507

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### Out-of-Pocket Health Care Expenses for Non-Elderly Families by Income and Family Structure, 2015

Philippe Gwet, PhD and Steven R. Machlin, MS

#### Introduction

Data from the Medical Expenditure Panel Survey Household Component (MEPS-HC) indicate that about one of every eight dollars spent on health care for the U.S. civilian noninstitutionalized population in 2015 was paid out of pocket by families.<sup>1</sup> These out-of-pocket expenditures can constitute a significant financial liability for some families.

The MEPS-HC is the only nationally representative data available for estimating health care expenses at the family level. This brief provides descriptive statistics on the amount that families with no elderly members (i.e., all persons under age 65) paid out of pocket for medical care received in 2015. The focus is on variations in out-of-pocket payment levels by family income (i.e., income as a percentage of the federal poverty level) and by family structure (i.e., number of adults/presence of children).<sup>2</sup> Estimates of median family out-of-pocket payments (i.e., midpoint level) are presented as well as estimates of proportions of families having “low” out-of-pocket payments of less than \$100 and those having “high” out-of-pocket payments of more than \$2,500.

Many factors influence the annual level of health care expenses for families and the portion of these expenses that are paid out of pocket. Among these factors are family size; the demographic, socioeconomic, and health status characteristics of family members; and the extent to which members have comprehensive health insurance coverage.

The estimates in this brief pertain to approximately 97.2 million non-elderly families who had medical expenditures paid by any source(s) during the year.<sup>3</sup> Family units in the MEPS-HC include related persons living together in the same household and individuals living on their own (i.e., 1-person families). All differences by income or family structure noted in the text are statistically significant at the 0.05 level.

#### Findings

In 2015, the median amount paid out of pocket by non-elderly families for health care was \$451 (figure 1). About one-quarter of families had nominal out-of-pocket expenses (i.e., less than \$100) while 14 percent had extensive out-of-pocket expenses (i.e., over \$2,500) (figure 2). Variations in these statistics by family income and by family structure are described below.

##### *Variation by family income (figures 1–2)*

In 2015, median family out-of-pocket expenses increased substantially with income, ranging from \$86 among poor families to \$868 among high income families (Figure 1). Just over half of poor families (52 percent) had out-of-pocket expenses under \$100 and this proportion decreased steadily with income to only 11 percent of high income families (figure 2). Conversely, over one in five high income families (22 percent) had out-of-pocket expenses of over \$2,500, compared to notably smaller proportions of families in the lower income categories. About 4 percent of poor families and 10 percent of low income families had out-of-pocket expenses exceeding \$2,500.

##### *Variation by family structure (figures 3–4)*

Regardless of the presence or absence of children, in 2015 the median out-of-pocket expense was more than \$600 higher for families having 2 or more adult members (i.e., age 18 and older) than those with only 1 adult (figure 3). More specifically, this differential was \$869 versus \$242 for families without children and \$721 versus \$116 for families with children. About one-fifth of families comprised of 2 or more adults (19 percent of those with children and 21 percent of those without children) had out-of-pocket expenses of more than \$2,500 (figure 4). Only 8 percent of 1-adult families with no children and 6 percent of 1-adult families with children had out-of-pocket expenses of over \$2,500.

#### Data Source

The estimates shown in this Statistical Brief are based on data from the MEPS 2015 Full Year Consolidated Data File (HC-181). This file is available at: [https://meps.ahrq.gov/mepsweb/data\\_stats/download\\_data\\_files.jsp](https://meps.ahrq.gov/mepsweb/data_stats/download_data_files.jsp)

#### Definitions

##### *Expenses*

- **Out-of-pocket:** Total payments made by families directly for services received during the year. (Families’ contributions to health insurance premiums are not included.)
- **Total:** The sum of payments made to health care providers for care received during the year, including out-of-pocket payments and payments by private insurance, Medicaid, Medicare, and other sources. Payments for over-the-counter drugs are not collected in MEPS. Indirect payments not related to specific medical events, such as Medicaid Disproportionate Share and Medicare Direct Medical Education subsidies, are also not included.

#### Highlights

- In 2015, the overall median amount paid out of pocket by non-elderly families for health care was \$451, but median out-of-pocket expenses increased substantially with family income.
- Overall, about 14 percent of families had out-of-pocket expenses exceeding \$2,500. However, this proportion ranged from 4 percent of poor families to 22 percent of high income families.
- Regardless of the presence or absence of children, out-of-pocket expenses were notably higher for families with 2 or more adult members than those with only 1 adult.

<sup>1</sup> In this report, out-of-pocket spending does not include families’ contributions to health insurance premiums.

<sup>2</sup> The Definitions section describes the income and family structure variables (four categories each) and includes a table with the estimated number and overall proportion of families for a cross-tabulation of these two variables.

<sup>3</sup> Overall, about 92 percent of non-elderly families had some medical expenses in 2015 (ranging from about 88 percent of poor families to 96 percent of high income families).

### Poverty status

- **Poor:** Family income less than 125 percent of the federal poverty level.
- **Low Income:** Family income between 125 percent and less than 200 percent of the federal poverty level.
- **Middle Income:** Family income between 200 percent and 400 percent of the federal poverty level.
- **High Income:** Family income greater than 400 percent of the federal poverty level.

### Family structure

The following four family categories were constructed:

1. A single adult (age 18 and older) with no children (age 17 and younger)
2. A single adult with children
3. Two or more adults with no children
4. Two or more adults with children

### Family

A multi-person family generally consists of two or more persons living together in the same household who are related by blood, marriage, or adoption. In this statistical brief, nonmarried partners, foster children, and in-laws are not considered to be part of the same family. However, single people who live with neither a relative nor a person identified as a "significant other" have been treated as one-adult families. College students living away from their parents' home during the school year, were considered as members of the family that identified them.

Crosstab of poverty status by family structure:

**Table 1: Number and Percent of Non-Elderly Families with Medical Expenditures by Poverty Status and Family Structure**

Poverty Status	Family Structure (Number and Percentage)				
	1 Adult		2 or More Adults		All Families
	No Children	1+ Children	No Children	1+Children	
Poor	9,999,307 10.3%	4,125,194 4.2%	1,643,690 1.7%	3,625,857 3.7%	19,394,048 20.0%
Low Income	4,966,606 5.1%	1,542,376 1.6%	2,099,368 2.2%	3,550,845 3.7%	12,159,195 12.5%
Middle Income	10,376,047 10.7%	1,756,263 1.8%	6,221,641 6.4%	9,028,253 9.3%	27,382,204 28.2%
High Income	11,690,284 12.0%	932,514 1.0%	15,399,069 15.8%	10,239,641 10.5%	38,261,508 39.4%
All Families	37,032,244 38.1%	8,356,347 8.6%	25,363,768 26.1%	26,444,596 27.2%	97,196,954 100.0%

Note: Percentages may not add to 100% due to rounding.

Source: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, Household Component, 2015.

## About MEPS-HC

MEPS-HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the U.S. civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

## References

The following methodology reports contain information on the survey and sample designs for the MEPS Household and Medical Provider Components (HC and MPC, respectively). Data collected in these two components are jointly used to derive MEPS health care expenditure data.

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, MD. Agency for Healthcare Policy and Research, 1997.

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Ezzati-Rice, T.M., Rohde, F., Greenblatt, J. *Sample Design of the Medical Expenditure Panel Survey Household Component, 1998-2007*. Methodology Report No. 22. March 2008. Agency for Healthcare Research and Quality, Rockville, MD.

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Stagnitti, M.N., Beauregard, K., Solis, A. *Design, Methods, and Field Results of the Medical Expenditure Panel Survey Medical Provider Component (MEPS MPC)—2006 Calendar Year Data*. Methodology Report No. 23. November 2008. Agency for Healthcare Research and Quality, Rockville, MD.

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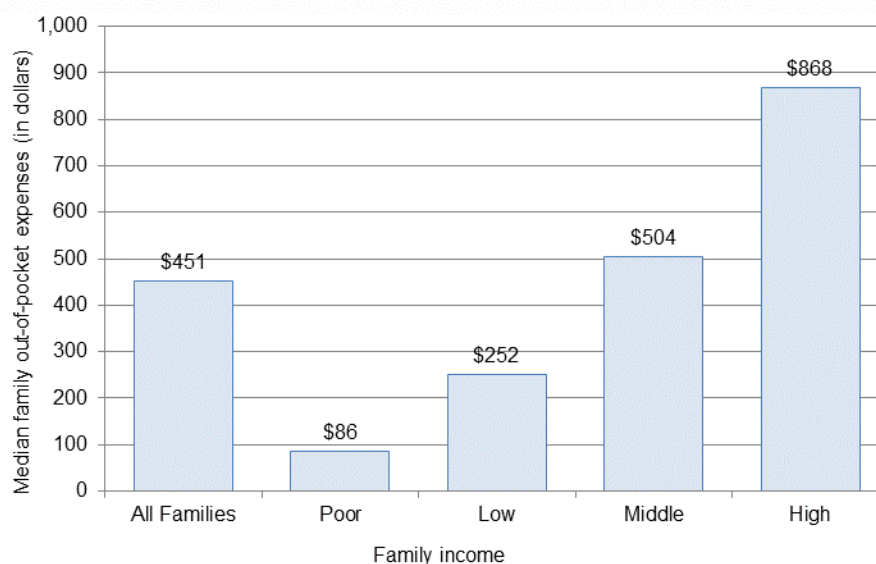
[http://www.meps.ahrq.gov/mepsweb/data\\_files/publications/st507/stat507.pdf](http://www.meps.ahrq.gov/mepsweb/data_files/publications/st507/stat507.pdf)

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Joel Cohen, PhD, Director  
Center for Financing, Access, and Cost Trends  
Agency for Healthcare Research and Quality  
5600 Fishers Lane  
Rockville, MD 20857



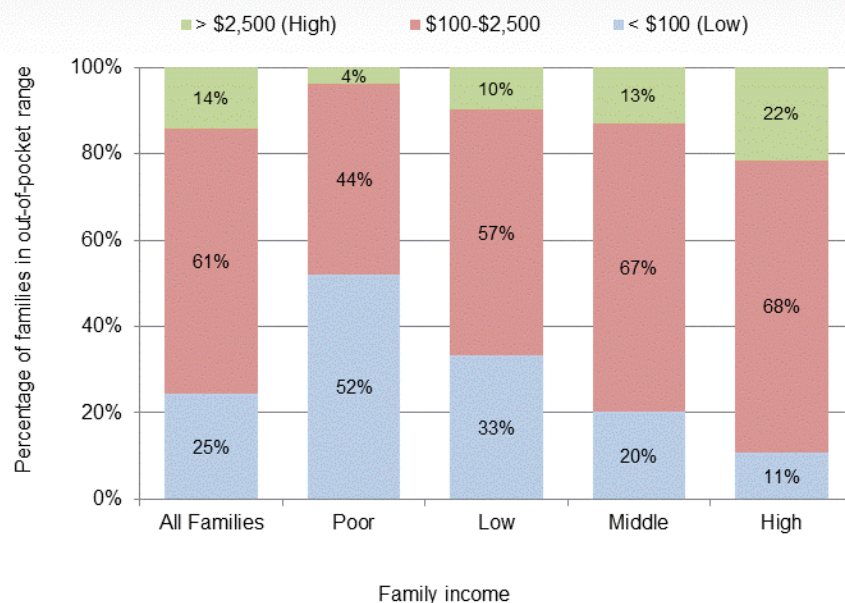
**Figure 1. Median family out-of-pocket expenses by family income category, 2015**



Source: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, Household Component, 2015.



**Figure 2. Distribution of family out-of-pocket expenses by family income category, 2015**



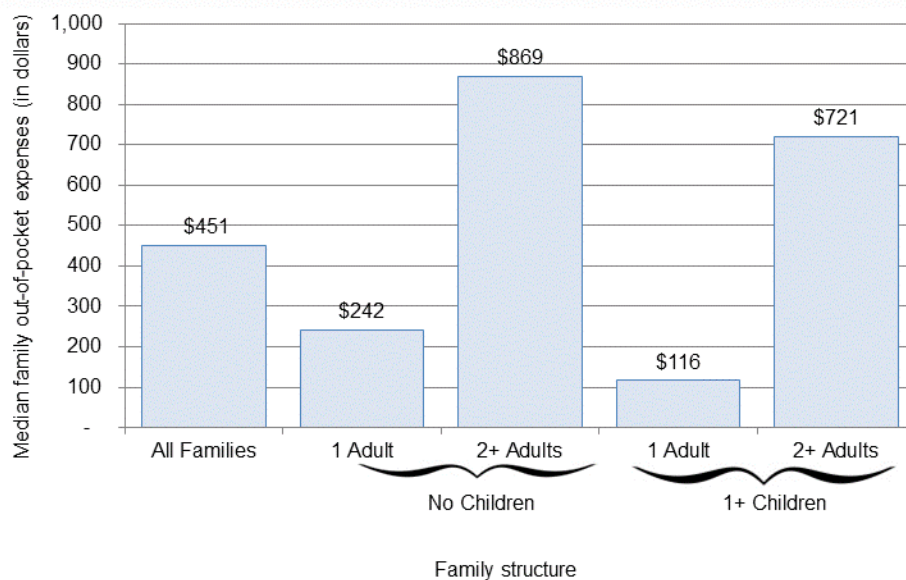
Note: Percentages may not add to 100% due to rounding.

Source: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, Household Component, 2015.





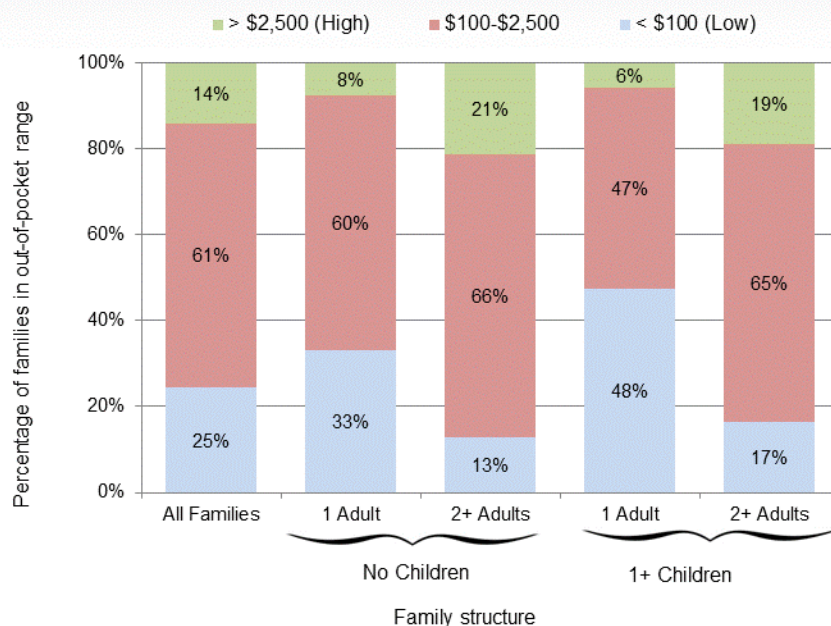
**Figure 3. Median family out-of-pocket expenses by family structure, 2015**



Source: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, Household Component, 2015.



**Figure 4. Distribution of family out-of-pocket expenses by family structure, 2015**



Note: Percentages may not add to 100% due to rounding.

Source: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, Household Component, 2015.