**Title:** Health Expenses, Assets and Social Work

**Overview:** The Affordable Care Act (ACA) aims to improve care and patient outcomes while reducing expenses. Social work educators and students should understand how health expenses impact client financial assets and outcomes. Data from the Panel Study of Income Dynamics (PSID) is used to examine health expenses and financial assets.

**Learning Objectives:**

1. Grasp the historical impact of medical costs on personal financial assets by understanding the results of data comparing two years (1999 and 2007) from the PSID.
2. Recognize the impact of medical expenses on personal financial assets, relevance, and benefit this has for social work educators and students who provide services under the ACA.
3. Understand how social work educators can raise awareness among social work students to address the potential impact of medical expenses on client financial well-being.

**Background and Purpose:**The impact of medical expenses on personal financial assets is well documented in the form of medical bankruptcy (Christy, Hampton-Stover, Shobe, & Hammig, 2013; Himmelstein, Thorne, Warren, & Woolhandler, 2009; Himmelstein, Warren, Thorne, & Woolhandler, 2005; Xu et al., 2007). Unexpected, expensive health care costs may take financial resources away from necessities such as food, rent, and utilities (Collins, Doty, Robertson, & Garber, 2011). Medical expenses may also negatively impact family financial stability over time (Christy et al., 2013) by hindering a family’s ability to build up savings, retirement, and homeownership opportunities (Collins et al., 2011). Social workers have the knowledge and skills to understand the interplay of systems on individuals (Andrews, Darnell, McBride, & Gehlert, 2013) and thus, may raise awareness of the potential negative impact of health expenses on family finances. By understanding the financial strain of health expenses prior to the implementation of the ACA, social work educators may raise awareness of these concerns among social work students to improve client outcomes.

This presentation uses data from the Panel Study of Income Dynamics (PSID) to describe the historical impact of health expenses on household financial assets and how that informs social work practice related to these concerns under the ACA. Two years (1999 and 2007) are compared to illustrate the increase in health expenses while financial assets either remain the same or decrease.

**Methods:** Multiple regression analyses were conducted using the 1999 and 2007 datasets from the PSID to explore the impact of medically-related expenses on personal financial assets (farm/business, vehicle, annuity/IRA, net of debt value plus value of home equity, liquid assets). Variables for medical expenses include health care expenditure, hospital/nursing home expenditure, doctor expenditure, prescriptions/other expenditure, and health insurance expenditure.

**Results:**Preliminary results reveal the percentage of positive assets, zero assets, and negative assets are similar in 1999 and 2007. A paired samples T-test indicates expenses for health care, health insurance, doctor visits, and prescriptions are significant at the *p*<.001 level. For hospital/nursing home expenses, results are significant at the *p*<.05 level. For assets, results were significant at the *p*<.001 level. Bivariate correlations (Chi-squared and Spearman’s correlations) between health care expenses and assets are not significant for either 1999 or 2007. Simultaneous linear regression was conducted with total assets entered as the independent variable and health care expenditure, hospital/nursing expenditure, doctor expenditure, prescription/other expenditure, and health insurance expenditure entered as the dependent variables. Results were not significant for 1999 (*p*=.66) or 2007 (*p*=.93). Simple regression was conducted with the dependent variable as liquid assets and the independent variable as health care expenditure. Results were significant for 1999 (*p*=.038, CI .03 to 1.09) but not for 2007 (*p*=.08). However, in 2007, health insurance expenditure was significant (*p*=.01, CI .23 to 1.80).

**Conclusions and Implications:** While the results of this study do not illustrate a relationship between overall assets and health care costs, the percentage of positive, zero, and negative assets is very similar in 1999 and 2007. There is also a difference between the median values for health care costs in 1999 ($1908) and 2007 ($3002), with higher costs in 2007 (2007 mode=$500, 1999 mode=$100). Preliminary results indicate health care expenses for 1999 and health insurance expenses for 2007 predict the amount of liquid assets. As such, medical care costs (either health care or health insurance expenses) may have an impact on immediate financial resources. Social workers should understand how medical expenses have historically impacted household resources and increased financial vulnerability to better understand and work within the guidelines of the ACA today to identify health-related financial needs and services to improve client outcomes.

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