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Lack of Affordability Tops Older Americans’ List of Health Care Worries

Tens of millions of seniors are anxious about being able to afford health care because of its expense and rising costs for other essentials.

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What weighs most heavily on older adults’ minds when it comes to health care?

The cost of services and therapies, and their ability to pay.

“It’s on our minds a whole lot because of our age and because everything keeps getting more expensive,” said Connie Colyer, 68, of Pleasureville, Kentucky. She’s a retired forklift operator who has lung disease and high blood pressure. Her husband, James, 70, drives a dump truck and has a potentially dangerous irregular heart rhythm.
Tens of millions of seniors are similarly anxious about being able to afford health care because of its expense and rising costs for housing, food, and other essentials.

A new wave of research highlights the reach of these anxieties. When the University of Michigan’s National Poll on Healthy Aging asked people 50 and older about 26 health-related issues, their top three areas of concern had to do with costs: of medical care in general, of long-term care, and of prescription drugs. More than half of 3,300 people surveyed in February and March reported being “very concerned” about these issues.

In fact, five of the top 10 issues identified as very concerning were cost-related. Beyond the top three, people cited the cost of health insurance and Medicare (52%), and the cost of dental care (45%). Financial scams and fraud came in fourth place (53% very concerned). Of much less concern were issues that receive considerable attention, including social isolation, obesity, and age discrimination.

In an election year, “our poll sends a very clear message that older adults are worried about the cost of health care and will be looking to candidates to discuss what they have done or plan to do to contain those costs,” said John Ayanian, director of the University of Michigan’s Institute for Healthcare Policy and Innovation.

Older adults have good reason to worry. One in 10 seniors (about 6 million people) have incomes below the federal poverty level. About 1 in 4 rely exclusively on Social Security payments, which average $1,913 a month per person.

Even though inflation has moderated since its 2022 peak, prices haven't come down, putting a strain on seniors living on fixed incomes.

Meanwhile, traditional Medicare doesn't cover several services that millions of older adults need, such as dental care, vision care, or help at home from aides. While private Medicare Advantage plans offer some coverage for these services, benefits are frequently limited.

All of this contributes to a health care affordability squeeze for older adults. Recently published research from the Commonwealth Fund's 2023 Health Care Affordability Survey found that nearly a third of people 65 or older reported difficulty paying for health care expenses, including premiums for Medicare, medications, and expenses associated with receiving medical services.

One in 7 older adults reported spending a quarter or more of their average monthly budget on health care; 44% spent between 10% and 24%. Seventeen percent said they or a family member had forgone needed care in the past year for financial reasons.

The Colyers in Pleasureville are among them. Both need new dentures and eyeglasses, but they can't afford to pay thousands of dollars out-of-pocket, Connie said.

"As the cost of living rises for basic necessities, it's more difficult for lower-income and middle-income Medicare beneficiaries to afford the health care they need," said Gretchen Jacobson, vice president of the Medicare program at the Commonwealth Fund. Similarly, "when health care costs rise, it's more difficult to afford basic necessities."

This is especially worrisome because older adults are more prone to illness and disability than younger adults, resulting in a greater need for care and higher expenses. In 2022, seniors on Medicare spent $7,000 on medical services, compared with $4,900 for people without Medicare.

Not included in this figure is the cost of assisted living or long-term stays in nursing homes, which Medicare also doesn't cover. According to Genworth's latest survey, the median annual cost of a semiprivate room in a nursing home was $104,000 in 2023, while assisted living came to $64,200, and a year's worth of services from home-health aides cost $75,500.

Many older adults simply can't afford to pay for these long-term care options or other major medical expenses out-of-pocket.

"Seventeen million older adults have incomes below 200% of the federal poverty level," said Tricia Neuman, executive director of the Program on Medicare Policy for KFF. (That's $30,120 for a single-person household in 2024; $40,880 for a two-person household.) "For people living on that income, the risk of a major expense is very scary."

How to deal with unanticipated expenses in the future is a question that haunts Connie Colyer. Her monthly premiums for Medicare Parts B and D, and a Medigap supplemental policy come to nearly

$468, or 42% of her $1,121 monthly income from Social Security.

With a home mortgage of $523 a month, and more than $150 in monthly copayments for her inhalers and her husband's heart medications, "we wouldn't make it if my husband wasn't still working," she told me. (James' monthly Social Security payment is $1,378. His premiums are similar to Connie's and his income fluctuates based on the weather. In the first five months of this year, it approached $10,000, Connie told me.)

The couple makes too much to qualify for programs that help older adults afford Medicare out-of-pocket costs. As many as 6 million people are eligible but not enrolled in these Medicare Savings Programs. Those with very low incomes may also qualify for dual coverage by Medicaid and Medicare or other types of assistance with household costs, such as food stamps.

Older adults can check their eligibility for these and other programs by contacting their local Area Agency on Agency, State Health Insurance Assistance Program, or benefits enrollment center. Enter your ZIP code at the Eldercare Locator and these and other organizations helping seniors locally will come up.

Persuading older adults to step forward and ask for help often isn't easy. Angela Zeek, health and government benefits manager at Legal Aid of the Bluegrass in Kentucky, said many seniors in her area don't want to be considered poor or unable to pay their bills, a blow to their pride. "What we try to say is, 'You've worked hard all your life, you've paid your taxes. You've given back to this government so there's nothing wrong with the government helping you out a bit.'"

And the unfortunate truth is there's very little, if any, help available for seniors who aren't poor but have modest financial resources. While the need for new dental, vision, and long-term care benefits for older adults is widely acknowledged, "the question is always how to pay for it," said Neuman of KFF.

This will become an even bigger issue in the coming years because of the burgeoning aging population.

There is some relief on the horizon, however: Assistance with Medicare drug costs is available through the 2022 Inflation Reduction Act, although many older adults don't realize it yet. The act allows Medicare to negotiate the price of prescription drugs for the first time. This year, out-of-pocket costs for medications will be limited to a maximum $3,800 for most beneficiaries. Next year, a $2,000 cap on out-of-pocket drug costs will take effect.

"We're already seeing people who've had very high drug costs in the past save thousands of dollars this year," said Frederic Riccardi, president of the Medicare Rights Center. "And next year, it's going to get even better."

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