



COLORADO HEALTH ACCESS SURVEY

# Generation Debt

Affordable Health Care Eludes Millennials

SEPTEMBER 2020

*Young adults in Colorado — and millennials in particular — are more likely than Generation X or baby boomers to be facing financial challenges that directly affect their health, according to the 2019 Colorado Health Access Survey (CHAS).*

Millennials are the generation born between 1981 and 1996. In 2019, the oldest millennials were 39 while the youngest were 23.

On average, millennials earn less than other working-age adults. The median personal income for millennials in 2018 was \$34,944, nearly \$8,000 less than the median personal income for adults ages 40-64 (\$42,762).<sup>1</sup> Many millennials are early in their careers, and others started their careers during economic downturns, such as the Great Recession of 2008. This may help explain why millennials' incomes are lower than other generations'.

Lower incomes mean that many millennials struggle to make ends meet when paying for necessities. Nearly 10% of millennials reported being worried about having stable housing in the next two months — the highest of any age group in the 2019 CHAS. People in this generation also reported the highest rates of eating less food than they



## Key Takeaways:

- Millennials with insurance face greater challenges with health care affordability than insured people of older generations.
- Millennials are more likely to avoid care due to cost than baby boomers and members of Generation X.
- Policy solutions aimed at improving affordability and accessibility will be fundamental for improving the way millennials consume health care.

## About the CHAS

The Colorado Health Access Survey (CHAS) is the premier source of information about health insurance coverage, access to health care, and use of health care services in Colorado. The biennial survey of more than 10,000 households has been conducted since 2009. The 2019 CHAS was conducted between February 26 and July 14, 2019. Survey data are weighted to reflect the demographics and distribution of the state's population. The survey was conducted in English and Spanish.

The 2019 CHAS was administered mostly online — a change from the telephone surveys of previous years. A small random sample of respondents was surveyed by phone, to confirm data from the online survey could be compared to phone-based data from previous years. In 2019, new questions were added to the survey, including questions on social factors such as housing and food security.

thought they should because there wasn't enough money (15.7% compared to the state average of 9.6%). Both housing instability and food insecurity have been linked to poor health outcomes including negative psychological well-being, increased risk for chronic disease, and increased risk of oral health problems.<sup>2,3</sup>

Millennials were also most likely among the three generations analyzed for this brief to report having problems paying medical bills.

Young adults are more likely than those 40 and older to be uninsured, but even millennials who have health coverage face greater problems affording health care than people with insurance in older generations. This report focuses primarily on millennials who have health insurance.

The affordability challenge has increased over time: In 2015, 14.0% of millennials with health insurance reported having problems paying or being unable to pay their medical bills, compared with 16.0% of Gen Xers and 12.2% of baby boomers. By 2019, the percentage of insured millennials who struggled to pay medical bills nearly doubled (22.9%), vaulting them ahead of Gen Xers (22.1%) and baby boomers (15.0%). (See Figure 1.)

Concerns about affordability of health care and coverage are not limited to one age group, but the sheer size of the generation and the scale of its financial

### The Colorado State Demography Office defines seven age cohorts within Colorado:

- The Greatest Generation (1901-1927)
- The Silent Generation (1928-1945)
- Baby Boomers (1946-1964)
- Generation X (1965-1980)
- Millennials (1981-1996)
- Post Millennials (1997-2014)
- Next Generation (2015-2029)

struggles make this challenge particularly noteworthy from a policy perspective. Millennials are the largest generation in Colorado and account for the majority of people moving into the state.<sup>4</sup> Like many age groups, millennials carry a variety of debt, including credit cards and mortgages. Millennials, along with Gen Xers, have a disproportionate share of student debt.<sup>5</sup> Since the 1980s, college tuition has more than doubled, and the payers of this higher tuition are primarily millennials

**Figure 1. Millennials Showed the Sharpest Increase in Problems Paying Medical Bills**

Percent change of respondents from previous year who reported difficulty paying medical bills

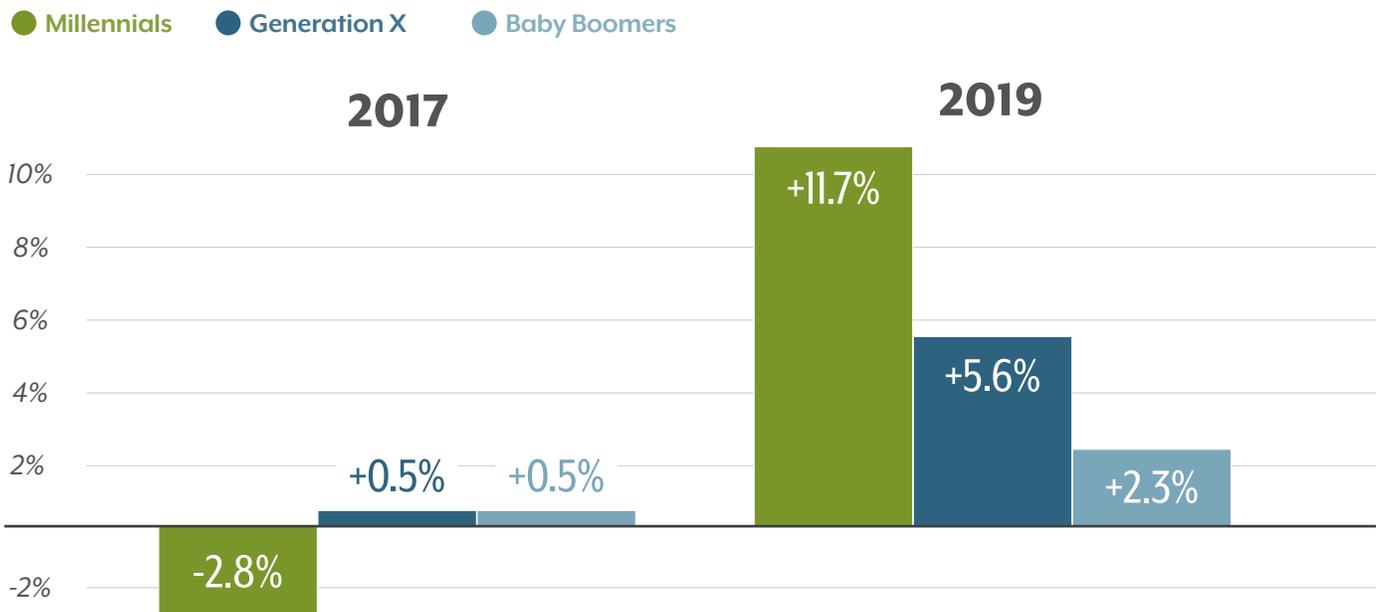
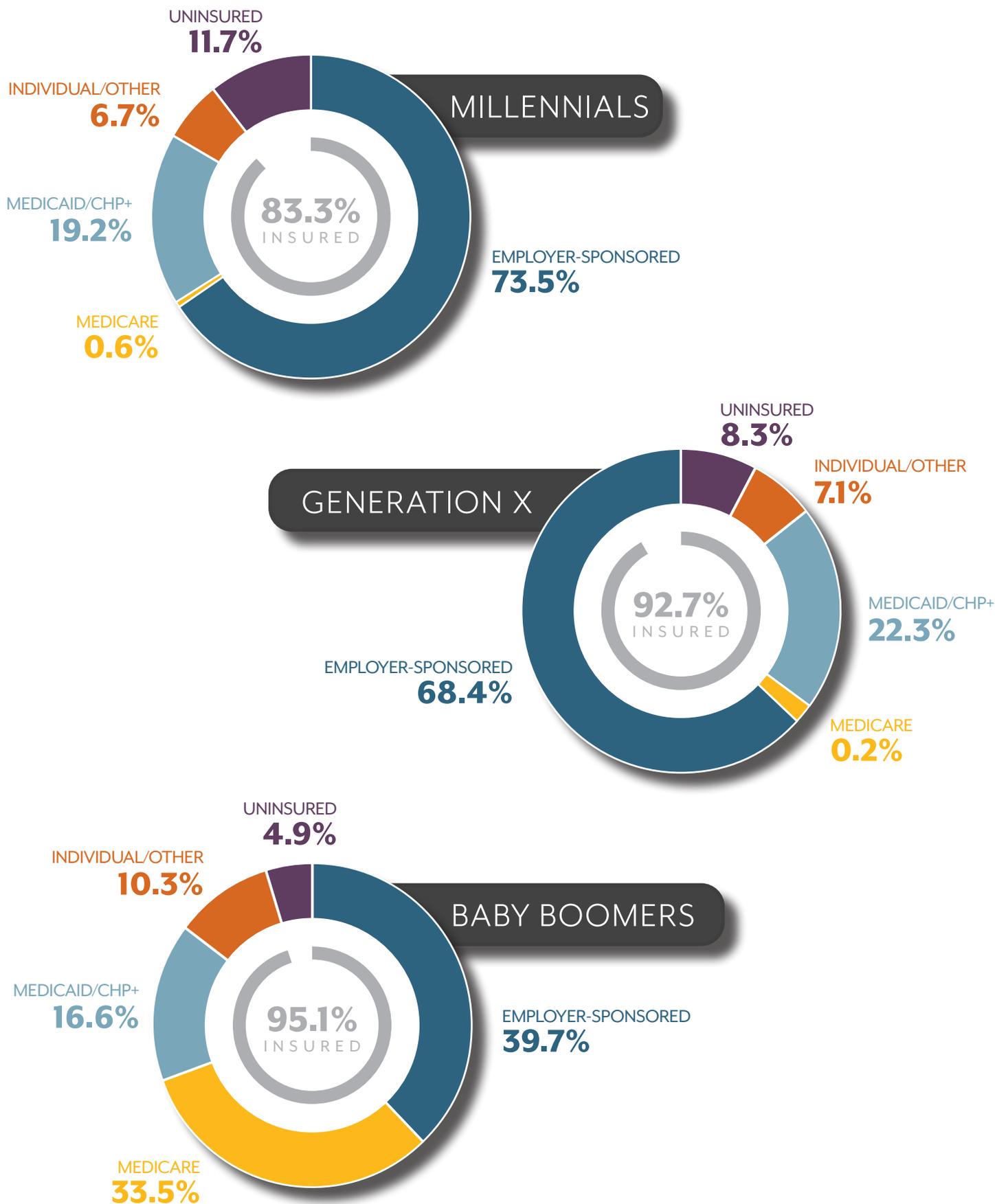
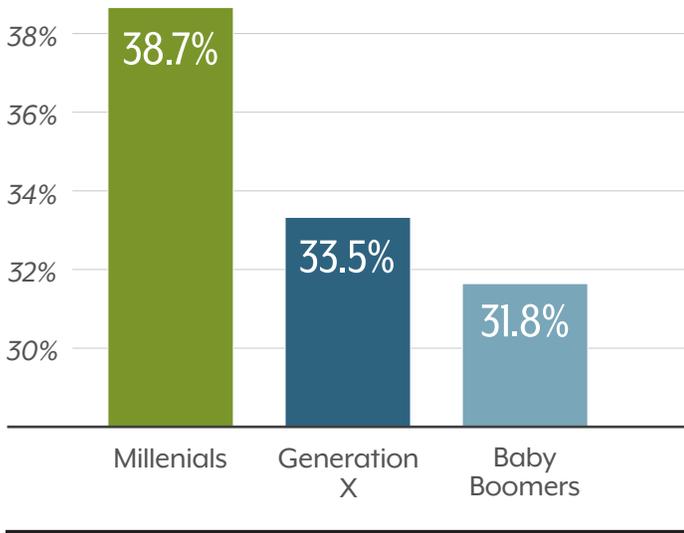


Figure 2. Insurance Coverage by Age Group, 2019



**Figure 3. Percentage of Insured Coloradans Who Were Surprised by a Medical Bill in the Past 12 Months That They Thought Should Have Been Covered by Insurance, 2019**



and Gen Xers.<sup>6</sup> The difference between millennials and Gen Xers is that the latter are further along in their careers, and thus likely earning higher incomes.

Student debt obligations, compounded by lower incomes and higher housing costs, place considerable financial strain on millennials. This can make it difficult to afford and prioritize health care.

Additionally, COVID-19 and the subsequent economic downturn are likely to have a disproportionate and profound impact on millennials due to the types of jobs they have as well as the fact that many are still in the early stages of their careers.<sup>7</sup> Millennials make up over half of workers in current “high-risk” industries threatened by COVID-19, such as accommodations, retail, and food services.<sup>8</sup>

## What the CHAS Tells Us

In 2019, nearly 87.1% of Colorado millennials were insured and 11.7% were uninsured, according to the CHAS. The uninsured rate among millennials was significantly higher than the state average of 6.5%, a finding consistent with national studies showing higher uninsured rates among young adults.<sup>9</sup>

### Insured, but Not Protected

About three in four millennials with health coverage had employer-based insurance (see Figure 2). Millennials reported a higher rate of job-based insurance than those who are insured in other generations.



## Uninsured Millennials

Struggles to afford care were not limited to millennials with insurance.

In 2019, roughly 126,000 millennials were uninsured. Among uninsured millennials:

- 62.1% of uninsured millennials avoided going the doctor due to cost compared to 19.5% of insured millennials
- 56.5% of uninsured millennials had problems paying medical bills compared to 22.9% of insured millennials
- 40.5% of uninsured millennials did not get specialist care due to cost compared to 18.3% of insured millennials

The consequences of being uninsured include worse access to care, higher medical bills, and delayed care for major health conditions and chronic diseases such as cancer and cardiovascular disease.<sup>10</sup>

Even millennials with health insurance often don’t have the coverage they expect. In 2019, 38.7% of insured millennials were surprised by a medical bill, compared with 33.5% of Gen Xers and about 31.8% of baby boomers.

While recent legislation — such as House Bill 19-1174 — aims to reduce surprise medical billing and increase cost transparency, the CHAS confirms that surprise billing has been a common challenge for Coloradans. Millennials may experience surprise medical bills at higher rates because they may be more likely to have high-deductible plans with lower monthly premiums, which may not cover all health care needs. Still others may not have a clear understanding of the limitations of their health coverage. Others may be simply grappling with the complexity of health care coverage, which makes it difficult to estimate the ultimate cost of care.

### Insured, but Avoiding Care

It’s no surprise then that many millennials chose to skip care out of concern for cost. Insured millennials were more likely to avoid going to the doctor due to cost than any other age cohort. In 2019, nearly one in five (19.5%) insured millennials had forgone going to the doctor due

to cost, compared with one in 10 baby boomers.

Skipping or delaying care can significantly impact health outcomes and exacerbate chronic conditions, which can lead to an increase in treatment costs — and a decrease in quality of life — down the road.

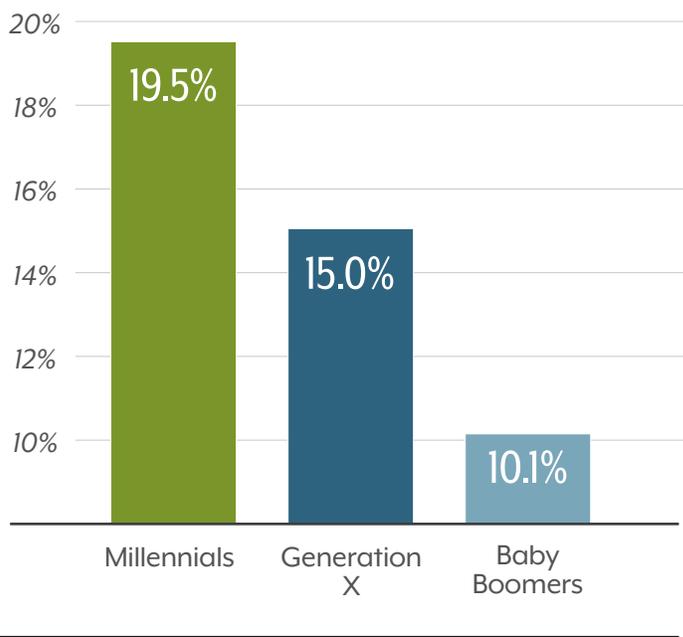
### Less Savings, More Debt, More Work

When insured millennials did seek medical treatment in 2019, 22.9% had problems paying a medical bill. As noted previously, that's higher than the state average of 18.1%, and an increase from 11.2% 2017.

Millennials reported making significant sacrifices to pay medical bills. These included lifestyle changes, increased work hours, and taking on credit card debt. Compared to Gen Xers and baby boomers, millennials were most likely to report adding hours at a current job or taking another job to help cover health care costs.

Of insured millennials who had difficulty paying a medical bill, 79.8% cut back on savings, compared to 66.0% of Gen Xers. Additionally, 60.9% of millennials took on credit card debt due to medical bills as compared to 50.8% of Gen Xers and 52.1% of baby boomers.

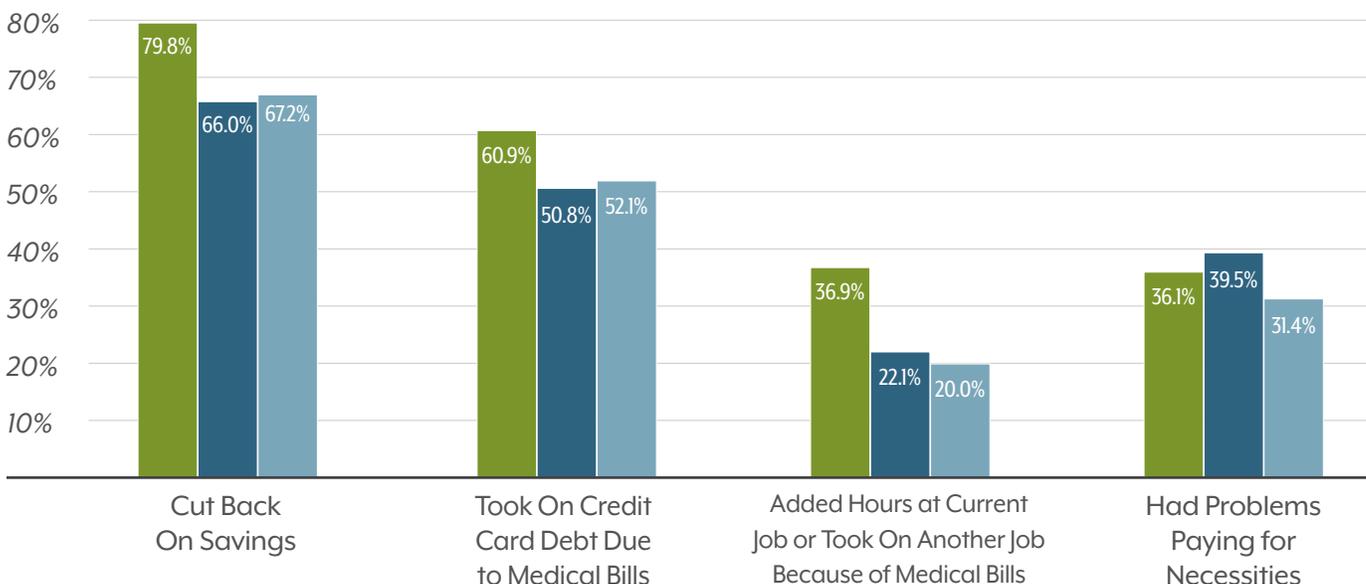
**Figure 4. Percentage of Insured Coloradans Who Skipped Seeing a Doctor Due to Cost, 2019**



Over one-third (36.1%) of insured millennials who had problems paying medical bills struggled so much they could not pay for necessities like food, heat, and rent.

**Figure 5: Percentage of Coloradans Who Had Difficulty Paying Medical Bills by Generation**

- Of the 22.9% of Millennials who had problems paying medical bills...
- Of the 22.1% of Gen Xers who had problems paying medical bills...
- Of the 15.0% of Baby Boomers who had problems paying medical bills...



## How Millennials Prefer to Get Health Care

Compared to other generations, millennials were less likely to have a consistent relationship with a family physician. Instead, many preferred the more immediate access available through urgent care centers, walk-in clinics, and health care apps.

Millennials desire promptness and flexibility when seeking out care, and they are not alone. The 2019 CHAS reveals that 46.6% of insured millennials and 63.5% of insured Gen Xers visited the emergency room because they were unable to get an appointment as quickly as needed. Additionally, 73.6% of insured millennials and 66.7% of Gen Xers went to the emergency room because they needed care after normal office hours.

Emergency room visits are often expensive and could contribute to surprise bills or unaffordable bills. Policies that keep doctors' offices open for longer hours and decrease wait times could help steer millennials and others away from the emergency room. Other innovative, lower-cost health care options, such as telehealth and direct primary care, could also serve as options to support millennials' ability to afford and access the care they need.

## Policy Implications

Policymakers continue to grapple with ways to make health care affordable for Coloradans of all ages.

The outbreak of COVID-19 has further heightened awareness around the need for affordable and accessible health care. Previous efforts in the legislature have aimed to increase price transparency, create an affordable state health care option, invest in affordable primary care, and limit surprise billing.

Millennials may benefit from these initiatives. However, when crafting legislation targeting affordability, policymakers should consider millennials' health care circumstances. Millennials are projected to see faster declines in their health than previous generations, due to higher prevalence of

behavioral health conditions and slower economic growth that could further reduce their already below-average incomes. Slower economic growth can exacerbate income inequality and lead to a greater prevalence of behavioral and physical health conditions.

Larger policy discussions and movements around student loan debt and housing affordability may have indirect impacts on how millennials prioritize, afford, and access health care services.

## Conclusion

Millennials represent the largest generation in the state. The health care system will increasingly need to adapt to their affordability needs and accessibility preferences. Policies to steward that change responsibly are not only prudent, but vital.

The CHAS data are clear — millennials are having trouble affording health care, even those with health insurance. With its large millennial population, Colorado has the opportunity to lead the charge on addressing health care affordability for these young adults – and, in the process, to improve access to care for all its residents.

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## Endnotes

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