



Unemployment is Changing the Face of Healthcare: How Can You Adapt?



The COVID-19 pandemic has led to higher unemployment rates in the United States, which currently sits at [6% as of April 2021](#). Vaccinations are widely available and the economy is improving, but there is still a long way to go. Unemployment is certain to remain a significant concern in the upcoming months, as is healthcare access and inequities. The majority of Americans have employer-sponsored health coverage; however, the recently unemployed must navigate a complex market of options including COBRA, Medicaid, the Affordable Care Act (ACA) marketplace, and self-insurance.

Still high unemployment rates paired with subsequently higher under-insured and uninsured rates will affect medical practices in terms of patient count, revenue, number of billers, and healthcare needs. Providers and practice administrators can prepare for the changes by embracing digital tools, leveraging patient-centric technology, and automating administrative processes.

A Bird's Eye View of the Current Healthcare Landscape

The healthcare landscape has been significantly affected by higher national unemployment rates. As millions of people lost their jobs, they also lost their employer-sponsored insurance. Nearly half of Americans—roughly 160 million under age 65—rely on employer-sponsored health insurance. The [Robert Wood Johnson Foundation](#) estimates as many as 25 to 43 million people lost health insurance due to COVID-19 related unemployment.

Many of those affected, as well as their dependents, will enroll in the ACA Marketplace insurance plans, Medicaid, or self-insure. Nearly 50% of the currently unemployed live in states that have recently expanded Medicare under the ACA and can obtain Medicare coverage. Forty percent of the newly unemployed in states that have not expanded Medicare coverage will become uninsured. By comparison, the Foundation projects that less than a quarter of the recently unemployed in expansion states will lose healthcare coverage altogether.



While many policy options—including expanding Medicaid and subsidies for the ACA marketplace or COBRA—have been discussed, [adjustments to coverage options](#) have not been completely implemented throughout the United States. To date, Tennessee, North Carolina, Mississippi, Alabama, Georgia, South Carolina, Florida, Texas, Kansas, Wyoming, South Dakota, and Wisconsin have yet to expand Medicaid. Researchers indicate that the lack of expansion puts residents at greater risk for reduced healthcare accessibility, financial security, and health crises. Oklahoma and Missouri have adopted but not yet implemented Medicaid expansion. Also of note: the fact that many individuals who find coverage on the ACA Marketplace may face higher deductibles, premiums, and co-payments than they did with their employer-sponsored health insurance.

Small Businesses Are Feeling the Pinch too

Small businesses are also struggling to cover the costs of premiums for employee healthcare. The NEJM Group (New England Journal of Medicine) found that [60% of small businesses offered health insurance coverage](#) before the pandemic and 95% of those businesses continued to offer coverage in June.

However, nearly one-third of the organizations indicated they were unsure of their ability to continue to pay premiums. The report also states, “Given that more than 60% of the working-age population relies on employer-sponsored health insurance, the economic crisis is poised to spark an insurance coverage crisis.”

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The Unemployed Are Also Losing Dental and Vision Insurance

Over 26 million people in the United States have dental coverage and half receive that coverage from their employer. Unfortunately, [recent research](#) estimates that 16 million people will lose employer-sponsored dental insurance. Some of the newly unemployed may choose to retain dental coverage through COBRA and foot the higher deductibles. Forty-five percent are expected to enroll in Medicaid or the Children's Health Insurance Program (CHIP), while 8% are estimated to purchase individual coverage through the ACA Marketplace. The rest are projected to lose dental coverage completely.

The loss of vision coverage is another consideration. As with dental insurance, some of the recently unemployed will be able to find coverage through COBRA, Medicaid, or the ACA Marketplace. Others will surely need to self-insure. These changes in coverage will likely lead to lapses in both routine and emergency visits, raising concerns about the long-term effect on overall patient health.

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Who is Hit the Hardest by Unemployment and Insurance Loss

Women in general, and women of color have been most significantly affected by rising unemployment in 2020. According to the Bureau of Labor Statistics, women accounted for 55% of the 20.5 million jobs lost in April. Overall, unemployment rates for women were at 15% (compared to 13% for men), 16.4% for Black women, and 20.2% for Hispanic women.

The Economic Policy Institute writes that [women account for a greater portion of unemployment rates](#) "in large part because women are overrepresented in the types of jobs that are being hit hardest, such as retail, restaurant, and education jobs, and part-time, low-paid, and tipped jobs more generally." This greater rate of unemployment is expected to result in the loss of employer-sponsored insurance for nearly one in 10 women who receive sexual and reproductive healthcare.



The Centers for Disease Control and Prevention's (CDC) data reveals that COVID-19 case rates are 2.8 times higher for Hispanic or Latino persons, 1.1 times higher for Asian persons, and 2.6 times higher for Black and African-American persons compared to white or Non-Hispanic persons. American Indian and Alaska Native persons also had 2.8 times higher case rates. The [hospitalization rates](#) for these ethnicities and races were also strikingly higher than those of white or Non-Hispanic persons across the board.

Health inequity appears to be on the rise as barriers such as poverty, healthcare accessibility, and lack of coverage persist. Other factors such as lack of transportation and childcare, as well as language barriers, cultural differences, discrimination, and lack of time off work exacerbate healthcare inequity. Occupation status remains another risk factor, particularly for those in close contact with the public or co-workers, without paid leave, and working in essential employment.

Factors Affecting Patients on Medicaid and Marketplace Plans

Deloitte's [2020 Survey of US Healthcare Consumers](#) found that 84% of individuals with Medicaid have incomes at or below 250% of the federal poverty level. Forty-one percent of people covered by exchange plans are low-income. With more people switching to Medicaid and ACA Marketplace coverage, providers will face a changing patient population with different needs, challenges, and concerns. The Deloitte survey expands on this idea, "[...] these challenges are often especially acute for people with lower incomes. Lower-income people also face increased challenges getting access to mental and behavioral health services."

Some of the common health challenges for low-income populations include:

- Lack of funds to purchase food, with **47%** of all survey respondents on Medicaid marking food security as a concern.
- Lack of funds to pay for housing with **51%** of respondents citing it as a primary concern.
- Mental health challenges with **71%** of Medicaid consumers reporting nervous or anxious and **65%** sad or depressed.



Deloitte survey respondents with ACA Marketplace coverage faced similar challenges, though at a lower rate. The third wave of the pandemic and the continued national unemployment crisis are certain to heighten these issues.

Leverage Healthcare Technology to Engage Patients

While the health issues faced by lower-income populations may be more frequent and significant, providers can expect these patients to respond as favorably to healthcare technology as those with employer-sponsored insurance. Deloitte found that both Medicaid and ACA Marketplace patients use technology to find and budget for healthcare services, receive [telehealth services](#), and track their overall health. Providers should continue to focus on making healthcare accessible and engaging for patients.

Digital records and technology can also help practices connect with patients who are due or overdue for care. By leveraging electronic health records (EHRs), practices can create lists of these patients and reach out to them through their preferred means of communication. To increase [patient engagement](#), integrate appointment scheduling and prescription refill requests into communication portals.

These tools will also alleviate some of the burden on your office staff. As patients handle scheduling, rescheduling, and refill requests independently, staff members can focus on more value-added tasks. These portals and associated features also increase accuracy and reduce tedious manual processes.



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Remote Patient Monitoring is Bridging Healthcare Gaps

Remote patient monitoring (RPM) can help providers track and monitor patient health outside of traditional settings. This technology helps bridge the gap between healthcare environments (e.g., hospitals and clinics) and the daily lives of patients. RPM technology uses many of the same devices patients are familiar with (smartphones and tablets), adding an increased level of comfort and ease of use.

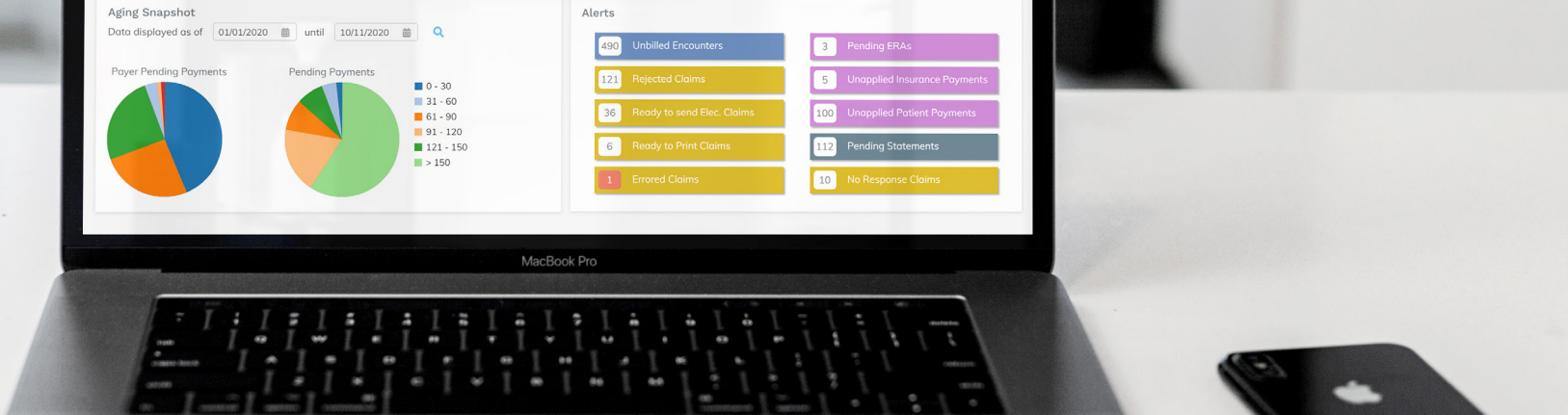
RPM technology also fosters stronger patient-provider relationships. Providers have access to a constant supply of data to better understand the patient's overall health. This data is then used to make decisions regarding care, intervention, and treatment. Providers can also use the data to guide conversations with patients and engage in joint decision-making for better outcomes.

Coverage is expanding, with [Medicare expanding its guidelines](#) for chronic care remote physiologic monitoring services to include the services when performed by auxiliary clinical staff under the general supervision of medical providers. Providers can also bill for RPM and chronic care management services separately in the same month for a patient, provided each service meets the minimum time threshold requirement.

Medicaid has also expanded its [coverage for RPM in 21 state programs](#), according to the Center for Connected Health Policy's Fall 2020 fact sheet.

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How Practices Can Maintain Cash Flow Despite These Changes

The number of payment providers will increase for medical practices as patients change insurance plans or self-insure. Even patients with employer-sponsored plans may encounter higher co-pays and deductibles. Practices can expect to see patients footing a larger portion of the bill.

Given that [65% of Americans](#) are concerned about their ability to pay for an unexpected medical bill, it's important for practices to have flexible payment options. Additional payment models will help practices maintain cash flow and secure reimbursement. [Sixty-eight percent of patients](#) prefer to pay providers electronically. By offering digital payment methods, practices can reduce time-to-pay and expenses on paper statements. [Payment plans](#) are another option for patients on a budget—set clear terms and billing schedules so that practice staff and patients can know what to expect.

Practice management software can also assist with decreasing reimbursement time from health insurance providers. In 2016 alone, [\\$262 billion in medical claims](#) were initially denied. Sixty-three percent of those claims were recoverable. However, recovering them cost \$118 per claim on average. Getting claims right the first time can save significantly on recovery costs and improve revenue cycle management. The ideal solution will include a single interface with claims scrubbing, billing, claims tracking, reporting, scheduling, and patient notification features.

RXNT's integrated Practice Management software, which include Medical Billing and Scheduling, helps you get paid faster with claim scrubbing, alerts, tracking, and automatic secondary claim submissions. Administrators can easily identify and resolve the causes of [denied claims](#). End-to-end claim tracking makes it easy to keep an eye on claims in process and reduce days in accounts receivables.

Our Medical Billing solution can also help practices to take steps to [manage revenues during times of economic stress](#). Customizable functionality lets providers offer flexible payment options, discounts, and sliding fee scales to uninsured and financially-strapped patients.