



Financial Hardship: A Social Determinant of Health and Health Care

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If we are to effectively address socioeconomic health disparities, it is critical that we improve our understanding of the material, psychosocial, and behavioral aspects that describe how individual socioeconomic circumstances are actually experienced, managed, and leveraged along the pathway to various health and health-care related outcomes.

SOCIOECONOMIC DETERMINANTS OF HEALTH AND HEALTH DISPARITIES

Our health is heavily influenced by the choices we make, and those choices are shaped by the conditions in which we live, learn, work, and play.¹ These conditions differ substantially depending on the financial resources available to the household. Households with few socioeconomic resources (low-income, low educational attainment) are more likely to be exposed to risk factors for poor health compared to those with more socioeconomic resources. In particular, those with more socioeconomic resources may use their “money, knowledge, prestige, power...to avoid such exposure” (pg. 19) to risk factors.² The difference in the quantity and quality of these socioeconomic resources contributes to health disparities reported across racial/ethnic groups, and across other socio-demographic groups where such resources are differentially distributed.

FINANCIAL HARDSHIP AND HEALTH CARE

The diagnosis of a chronic disease (e.g. cancer, diabetes) can have a significant financial impact on the family^{3,4}, and although having insurance greatly reduces the cost, health insurance coverage does not guarantee access to the highest quality of care⁵ or eliminate the risk of substantially depleting a household’s financial resources.^{5,6} In the absence of health insurance, diagnosis and screening are delayed and survival outcomes can be worse compared to those with insurance.^{7,8} Additionally, the direct and indirect costs (e.g., patient and caregiver time) of navigating health care exist in a socioeconomic context and must be managed alongside other household expenses and family obligations. For households with fewer socioeconomic resources, the costs to manage the additional and sometimes unexpected out-of-pocket expenses can be especially devastating. As the costs of health care continue to grow relative to household income, the cost of health care will increasingly strain household budgets as healthcare expenses compete for resources with basic household necessities and cause financial hardship for families.⁹

Cancer survivorship research provides a framework that suggests the financial hardship a household experiences as it navigates health care can be described from a material, psychological, and behavioral perspective (See Figure 1).^{9,10} The material perspective describes the conditions that result from the increase in out-of-pocket expenses and lower income that can result if a family member has to reduce employment due to treatment or caregiving responsibilities. The psychological perspective describes the distress and worry that results from the increase in household expenses; the behavioral perspective describes the coping responses that a household adopts to manage the increase in household expenses.^{9,11} Ensuring intervention/policy efforts focus on the material, psychological and behavioral aspects of financial hardship may reduce the economic burden that is felt by households, as well as reduce cost-related non-adherence to treatment plans¹² as household members navigate chronic disease care.

Figure 1. Financial hardship framework^{9,11}

Material Conditions

- Medical debt
- Reduced/lost income

Psychological Response

- Financial worry
- Financial distress

Coping Behaviors

- Skipping medications
- Missing physician appointments



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