Researcher Questions Definition of ‘Affordable’ Health Insurance

As the debate on health care reform continues in Congress and across the nation, an important question has hidden in the background: how do we define “affordable” health insurance?

An article in the most recent issue of the *Kennedy Institute of Ethics Journal* by Carla Saenz takes on this very important question. The journal is published by the Johns Hopkins University Press.

Saenz, a Post-Doctoral Fellow in the Department of Bioethics, Clinical Center, at the National Institutes of Health, examines three previously developed systems of defining affordability and examines Massachusetts’s mandate for health care coverage. She points out how these examples do a poor job of establishing criteria to define “affordability.”

“Something is affordable to one if it is not an excessive burden,” she writes. “A burden is not excessive if it can be borne without serious detriment. But without serious detriment to what?”

Saenz lays out a new definition of affordability using what she calls a “reasonable tradeoff account,” which stipulates that health coverage is affordable if people do not have to sacrifice other benefits comparable in importance to health coverage.

“Health insurance costs are excessive if, for example, they require people to sacrifice resources necessary to pay for safe housing or education,” she writes. “If individuals are required to make unreasonable tradeoffs in order to pay for insurance, then the insurance is not affordable.”

While admitting that the reasonable tradeoff account merits further research before implementation, Saenz says the idea can immediately help guide policy decisions in the ongoing health care debate.

“The question about what constitutes affordable health care insurance, or what is a fair burden to impose on citizens for the purpose of their health coverage, should be asked,” she writes.

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