

# Can You Afford to Be Sick?

by Jean Komaiko

Art by Elmer Jacobs

NOT LONG AGO I visited a friend whose husband had been gravely ill for months. Alice was upset about everything—money included.

"You know," she said tearfully, "only a rich man can afford to be really sick!"

I thought about her words but I doubted them until a cousin took seriously ill while vacationing in the South. When Fred's wife showed me the bills for his 31-day stay in the hospital, I could understand what Alice had meant. Here's what the bills looked like:

|                                                     |            |
|-----------------------------------------------------|------------|
| room and board (two-bed room)                       | \$465.00   |
| operating room                                      | 50.00      |
| laboratory                                          | 756.00     |
| pathology                                           | 12.50      |
| drugs, dressings, antibiotics, intravenous feedings | 734.00     |
| oxygen                                              | 519.00     |
| electrocardiogram                                   | 54.50      |
| transfusion                                         | 118.50     |
| three nurses each day at \$16 each                  | \$1,488.00 |
| doctor's and surgeon's bill                         | \$1,100.00 |

In short, one month of sudden and severe illness cost Cousin Fred \$5,400! His small savings account was sadly depleted and, of course, the figures tell nothing about his loss of income during this period or the usual expenses of maintaining his home, wife, and two children.

Fred's story is a frightening one, but it's far from unique. Each year the cost of long sickness and disability in America reaches the staggering total of \$6.1 billion! To the families involved, desperate to restore a loved one to health, this often means lifelong debt, dependence on relatives or charity or, even worse, the abandonment of treatment altogether.

Fortunately, most of us are healthy! The average family spends more for recreation than for medical care (doctors, dentists, hospitals, drugs, insurance, etc.). Four and one-half percent of our income—the average amount spent for medical care—isn't much when we consider the skill, attention, and good health we get in return.

The big problem is the long or chronic illness which saps the health and resources of the whole family as well as the victim. This being so, what can

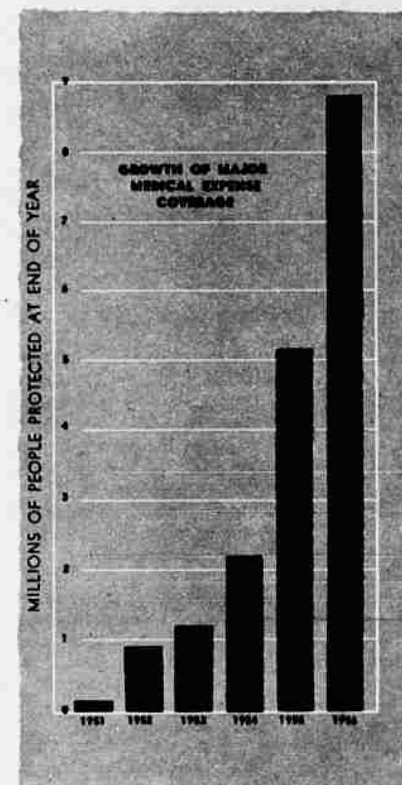
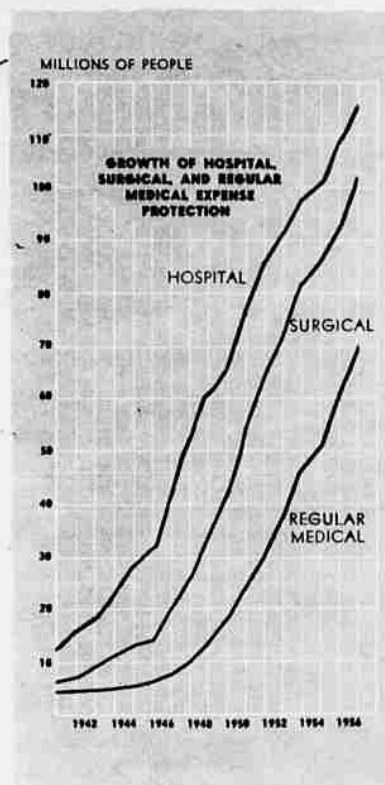
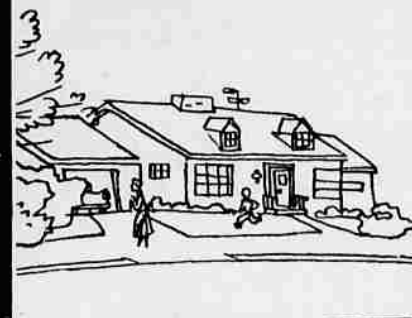
we do to cushion the blow of such a calamity should it occur in our family?

THE FIRST thing is to practice prevention. If the sounds simple and trite, the facts indicate otherwise, for 70 percent of Americans fail to have an annual physical checkup. Far too many wait for a minor complaint to become a major illness before seeking help.

Moreover, millions of others ignore the medical services of their communities: free chest x-rays, special clinics, ear and eye examinations for children. Prevention isn't the doctor's job; 365 days a year we decide the food we eat, the hours we rest, and how much we smoke and drink.

Second, most of us can learn to budget ahead for future medical expenses. No one can predict an emergency, but we can estimate routine costs: medical and dental checkups, vaccinations, shots, obstetrical care, and a dozen other things.

Finally, and most important, we can buy protection in the form of medical-surgical insurance. There are now five types of voluntary health insurance available



Source: Health Insurance Council

to American families. The most common are those which pay hospital, surgical, or medical bills, or a combination of the three. The fourth type is designed to meet the expenses of major illness, and the fifth protects a person against loss of income due to sickness or accident.

What about Cousin Fred? Had he been insured, what would his benefits have been? And what would he have paid yearly to carry any or all of these protective policies?

Let's suppose he had had a hospitalization policy. This covers room, board, operating room, drugs, oxygen, and related expenses up to certain limits. Hospital insurance—in fact, any of these five types of insurance—is available either on an individual or a group basis. A group policy covers all the employees of a company or all members of a union or other organization. The larger the group, of course, the smaller the cost to each individual and the greater the benefits offered.

Cousin Fred works for a company with 500 employees. Although hospitalization benefits vary by locality, Fred would have received about \$2,200.

*Illness can be a major catastrophe—unless you prepare in advance for ample protection.*

needed only the services of a physician? What if his illness dragged on long beyond the time limits of his hospital policy? Then, of course, Fred would be out of luck and would have to pay out-of-pocket. Unfortunately, few of us can ever protect ourselves with specific policies against all the possibilities which might occur.

Realizing these gaps (particularly where there is severe illness), insurance companies now offer a more extensive coverage called major medical expense or catastrophe-coverage insurance. These policies take effect only after the first \$300-500 of medical expenses. In short, they are not designed to pay small bills but rather the huge sums of money which major illness demands.

Some catastrophe policies give \$10,000 coverage. Most are written for \$5,000. Some require that you pay a percentage of the total; others do not. All are designed to cover every phase of illness (doctor, surgeon, hospital, drugs, treatments, etc.).

For \$132 Fred could have purchased an individual catastrophe policy for his family; for \$48 he could have bought the same coverage through his office group. Either way, he would have had to pay the first \$300 expense and 25 percent of the total after that, but the insurance would have covered all the rest of his bills up to \$5,000. In short, Fred's illness would have cost him \$1,875 instead of \$5,400.

FINALLY, there is a form of protection called disability insurance which pays not for specific expenses but rather for loss of income due to sickness or accident, or both. If Fred had figured that his family could live on \$75 a week should he be disabled, he could have bought a group policy for \$85 (or an individual policy for \$118) which would have provided him with this weekly amount. Had he been injured, the payment would have begun immediately and continued for 12 months; had he been disabled by illness, payments would have started on the eighth day and continued for six months. There are many variations of this type of insurance, but basically the purpose is always the same: to provide income for the family when the wage earner can't work.

Fred gambled on his health. Illness, he figured, was something that happened to the other fellow. As a result he neither practiced prevention nor protected himself with insurance. Over a period of 10 years he figured that the group plans at his office (for hospitalization, surgery, major medical expense, and disability) would have cost him more than \$2,500. What he didn't figure—what the statistically fortunate usually forget—is that in one month he ran up bills for twice that amount!

Certainly there are plenty of people who would like health insurance but who, for one reason or another, can't get it. They can't afford to be sick! But for Fred—for most of us—financial worries about illness can be greatly reduced by planning, by prevention, and by insurance protection.