

Affordability & the Medical Debt Crisis

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Medical Debt in America

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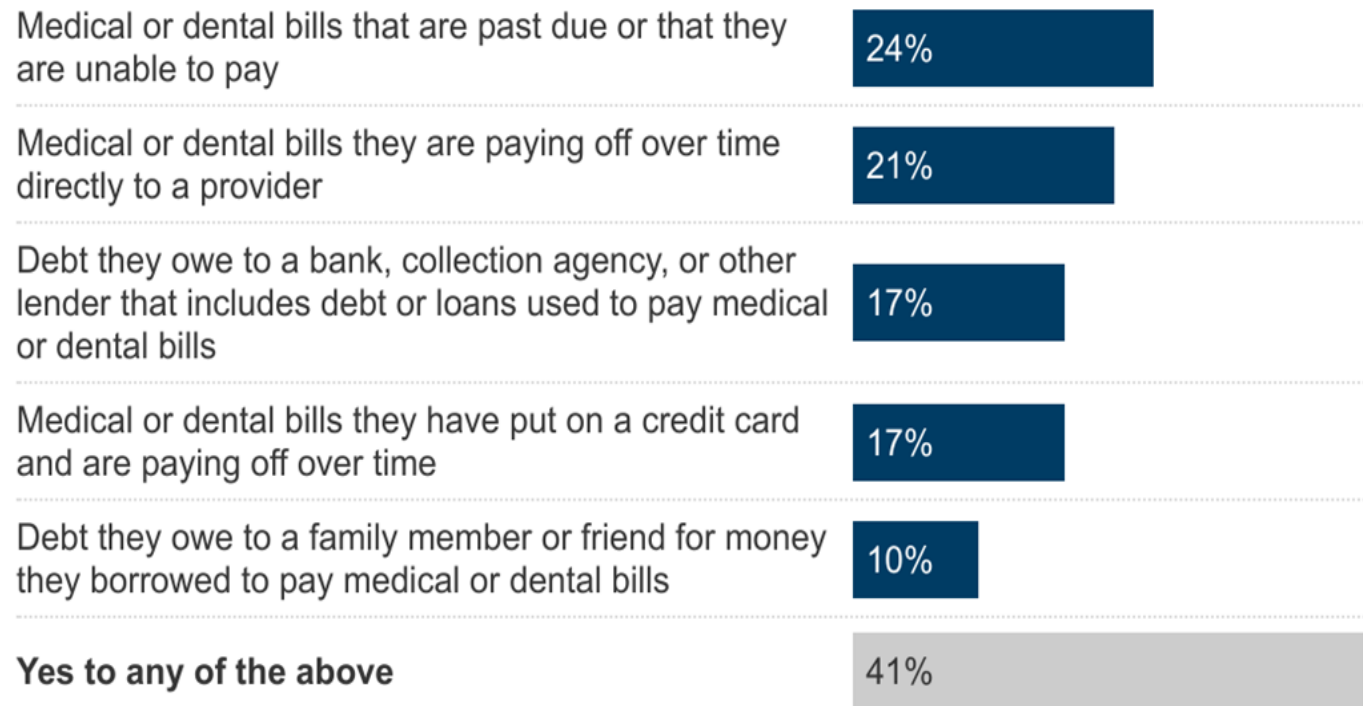


Medical Debt is Upending Millions of Lives



How Big Is the Problem?

**100 Million
People with
Health Care
Debt**



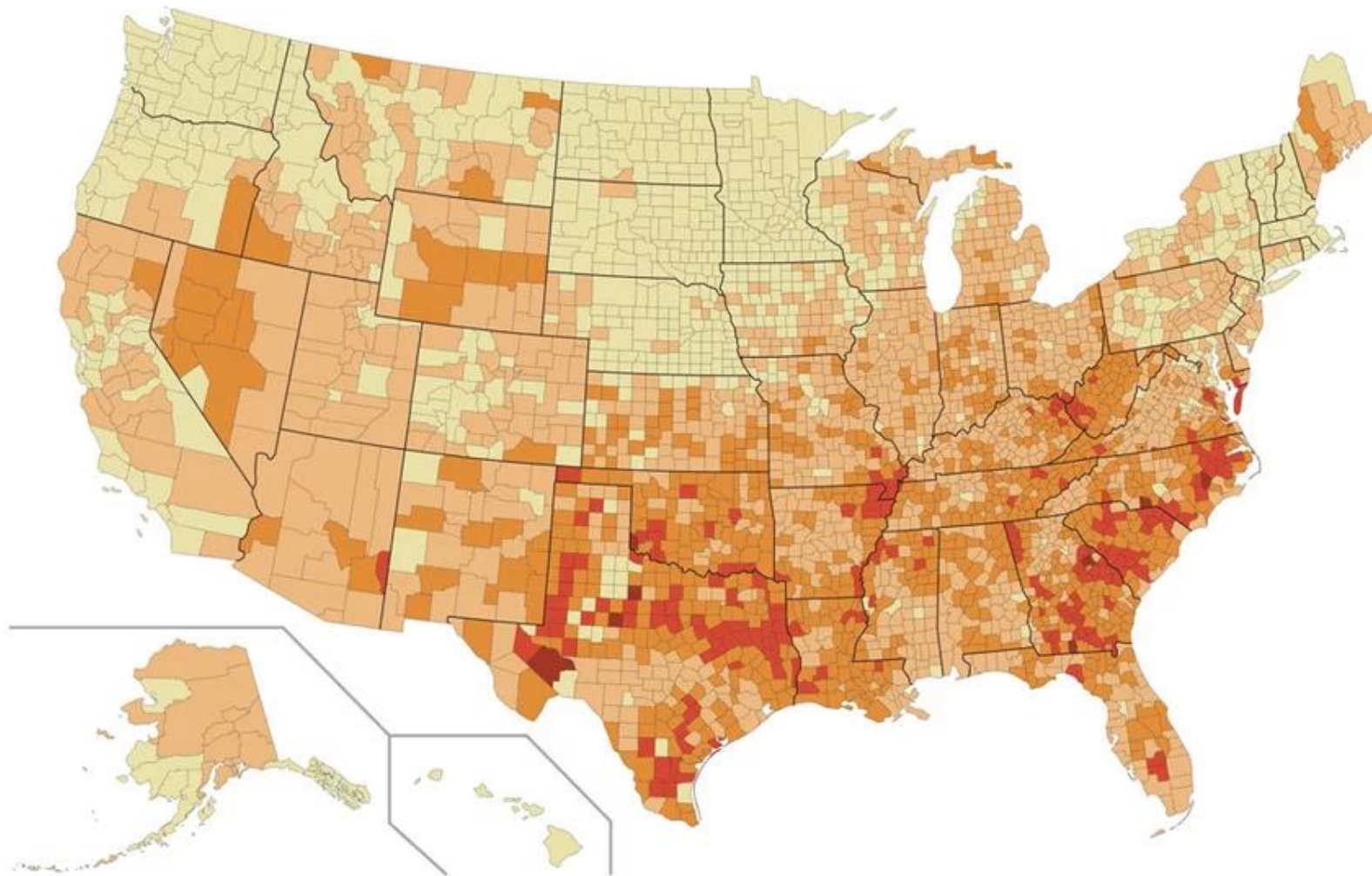
How Much Medical Debt?

What Americans estimate they owe in health care debt

- **A third** owe less than \$1,000
- **A quarter** owe at least \$5,000
- **1 in 8** owe at least \$10,000
- **1 in 5** don't expect to ever pay it off

Where is Medical Debt?

Share of adults with medical bills in collections,
by county



Source: Urban Institute

Impact of Medical Debt

**More than half
of adults have
made a difficult
sacrifice**

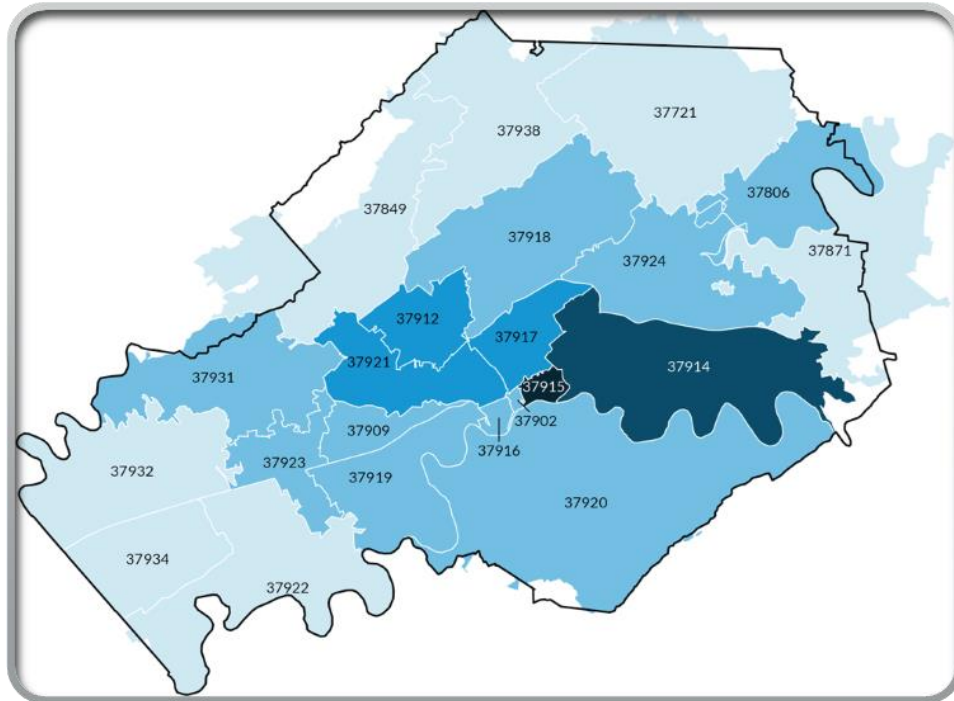
- **63%** cut spending on food, clothing & other basics
- **40%** took on extra work
- **19%** changed their living situation
- **12%** were denied medical or dental care

Medical Debt's Unequal Toll

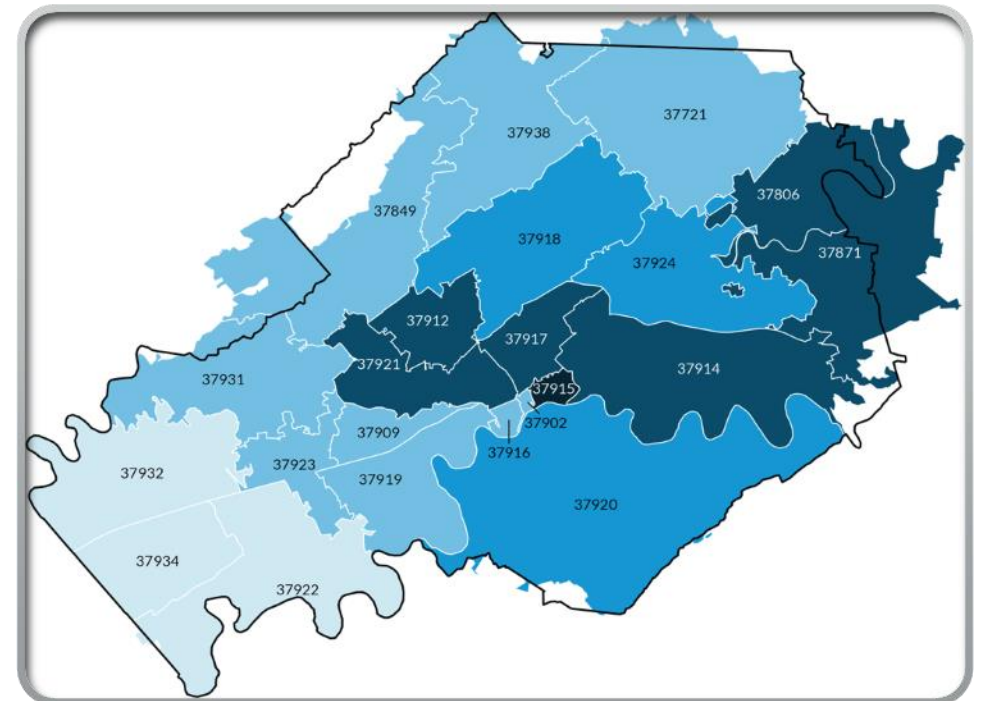
- **Black Americans** are 50% more likely to have health care debt
- **Young people** (18-29) are twice as likely as seniors to have debt
- **Parents** are almost twice as likely as non-parents to have debt
- **Sick Americans** are a third more likely to have debt
- **Low-income Americans** are more than twice as likely to have debt

Deepening Racial Disparities

Share of non-white residents by zip code in Knox County, Tenn.



Share of adults with medical bills in collections in Knox County, Tenn.



Source: Urban Institute

What Are Patients Doing?

Millions Are Skipping or Postponing Care

Not gotten a medical test or treatment that was recommended by a doctor because of the cost

33%

Put off or postponed getting health care they needed because of the cost

43%

Source: KFF

What's Going on
Here?



The Hospital Collection Machine

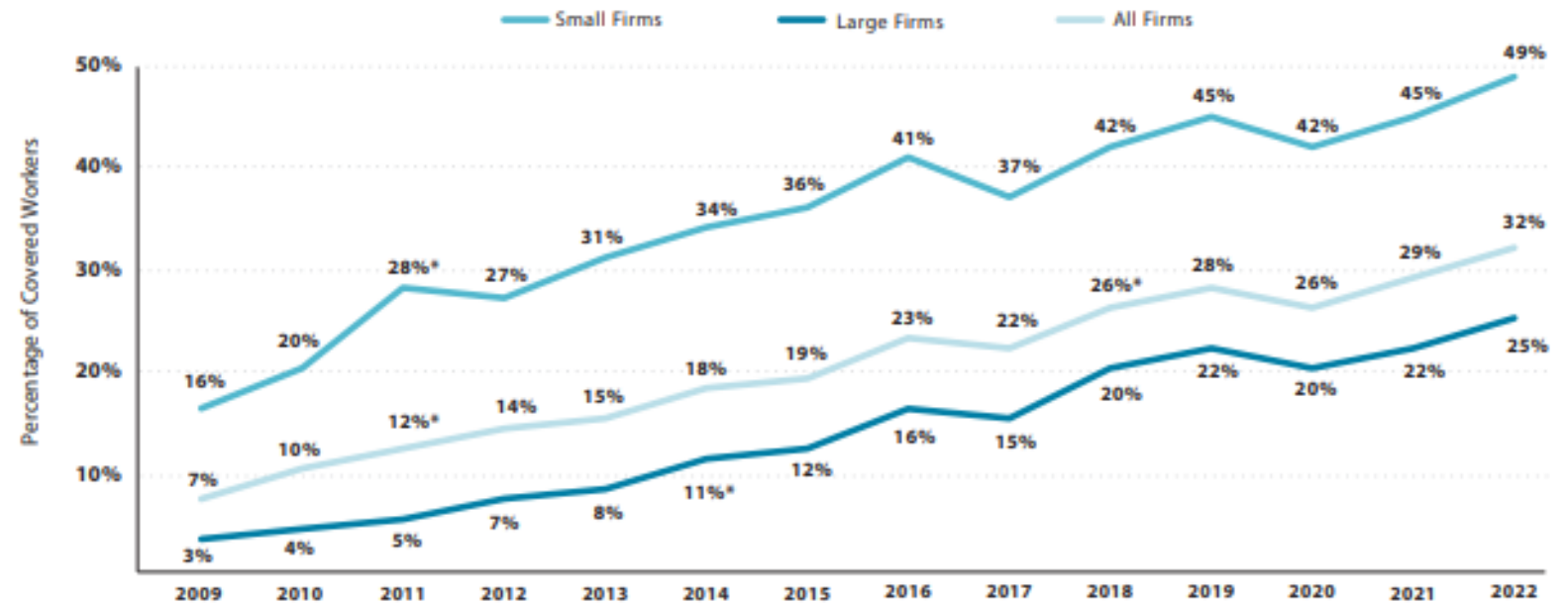
- **Two-thirds** sue patients or take other legal action, such as garnishing wages or placing liens on property
- **Two-thirds** report patients with outstanding bills to credit rating agencies
- **A quarter** sell patients' debts to debt collectors
- **1 in 5** deny nonemergency care



Source: KFF

The Bigger Problem

Share of US workers in a health plan with a deductible of \$2,000 or more for single coverage



*Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual deductibles are for in-network providers.

SOURCE: KFF Employer Health Benefits Survey, 2018-2022; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

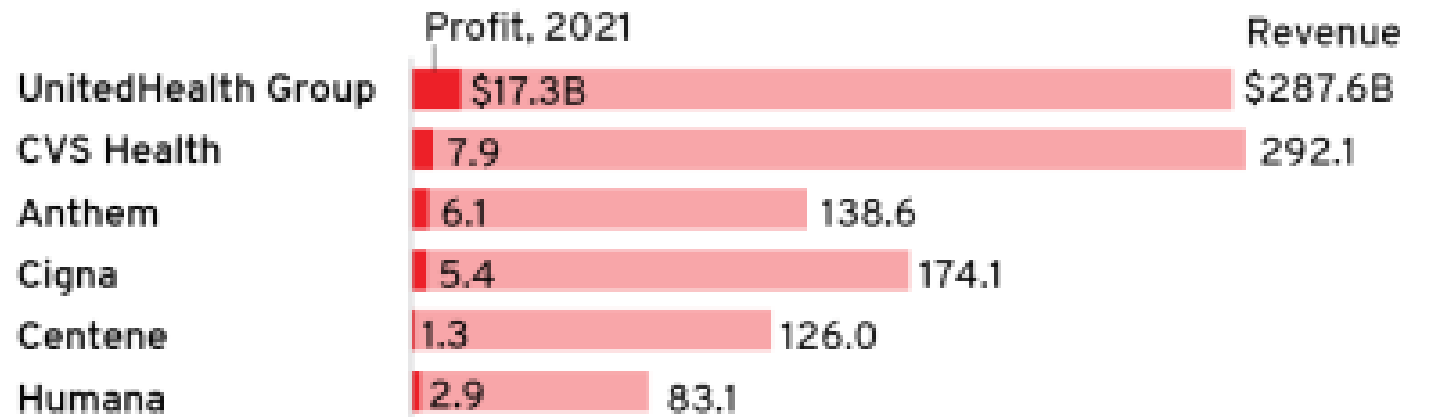


Whose Problem Is This?



A Threat to Health Insurance Profits?

For-Profit Health Insurance Companies Are Earning Billions of Dollars



Source: Company earnings reports
By Randy Leonard



Big Opportunities for Patient Financing

Annual revenues of the U.S. patient financing industry:

\$9.5 billion



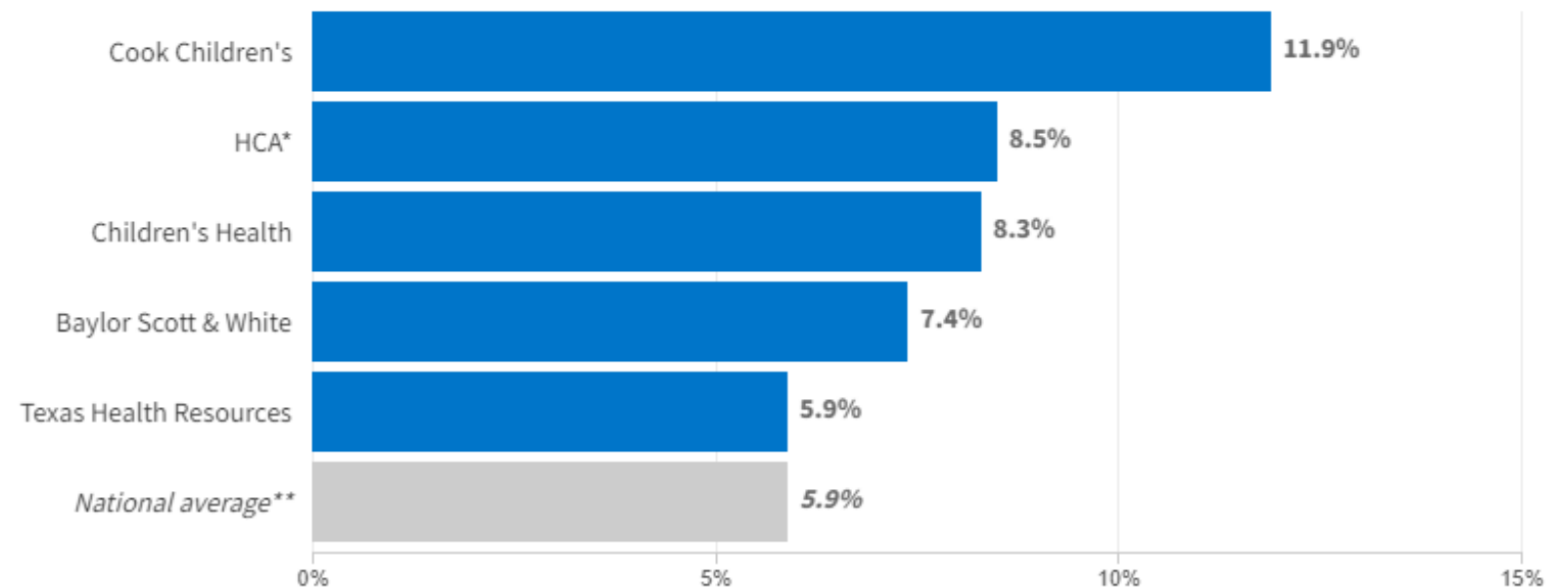
Gross Domestic Product of Rwanda:

\$9.1 billion



Operating Margins at Major Hospital Systems Around Dallas-Fort Worth

The average operating margin for leading hospital systems in the Dallas-Fort Worth area from 2018 to 2021 was very strong. All the systems below are nonprofit, except HCA.



Source: KFF

A Threat to
Hospital
Margins?

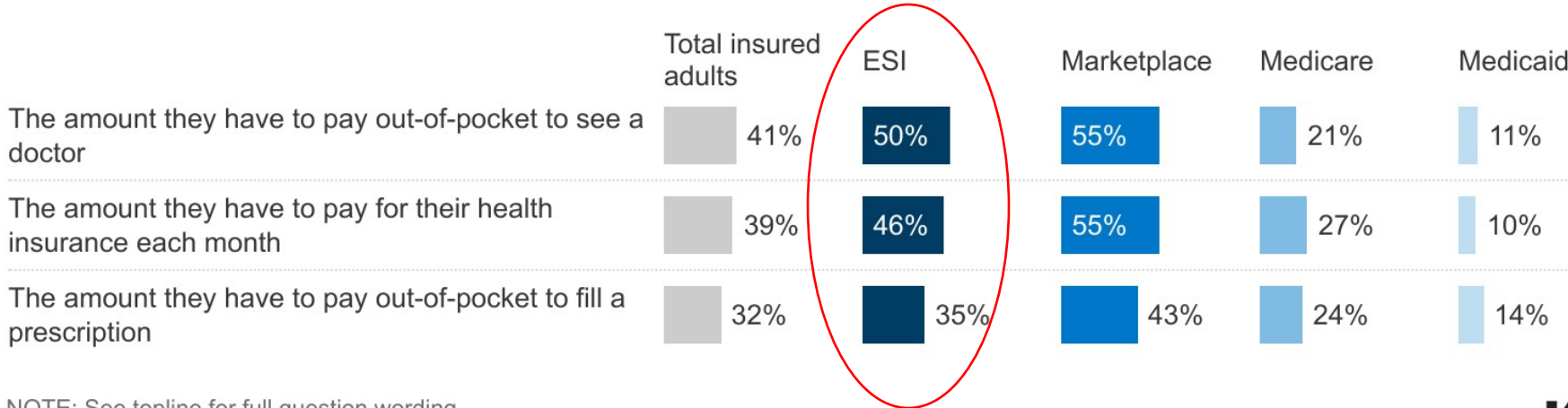
A Flashing Light for Employers?



How do Americans rate their insurance coverage?

Who Likes ESI?

Percent who rate the following aspects of their current health insurance as either **fair** or **poor**:



NOTE: See topline for full question wording.
SOURCE: KFF Survey of Consumer Experiences with Health Insurance (Feb. 21-Mar. 14, 2023)



Big Cost Barriers

Who is skipping care due to costs, by insurance type?

Percent who say they delayed or went without the following in the past 12 months because of the cost:

	Total insured adults	Main insurance coverage			
		ESI	Marketplace	Medicare	Medicaid
A visit to a doctor's office	14%	17%	18%	5%	10%
Prescription drugs	13%	12%	14%	11%	14%
Dental care	28%	25%	37%	26%	39%
Vision services, including eyeglasses	19%	17%	27%	14%	28%
Hearing services, including hearing aids	6%	5%	5%	10%	5%
Any of these types of care in the past year	41%	38%	50%	36%	51%

NOTE: See topline for full question wording.

SOURCE: KFF Survey of Consumer Experiences with Health Insurance (Feb. 21-Mar. 14, 2023)

Questions

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