

Medical Debt Affects 43% of U.S. Workers With Employer-sponsored Insurance

Despite employers' best efforts to offer competitive health care benefits to workers, many employees struggle with medical debt. According to a new survey commissioned by Goodroot, a community of health care companies, more than 4 in 10 employees report having experienced medical debt.

“When employees are struggling with a massive, unpayable medical bill, it not only puts tremendous stress on their family but also harms their ability to be productive and contribute to company culture.”

- Goodroot CEO Mike Waterbury

Medical Debt in the United States

In 2023, employers spent an average of \$17,393 for family coverage per employee, a 48% increase since 2013. Although employers increasingly invest in their sponsored health care benefits, employees still face medical debt. Consider these key findings from the Goodroot survey:

- **Medical debt remains the leading cause of bankruptcy in the country.** Half (52%) of Americans in medical debt owe more than

\$2,500.

- **Medical debt impacts employees' ability to cover daily living expenses.** At some point, nearly 4 in 10 people have been unable to afford rent, groceries or utilities due to medical bills.
- **People are delaying health care in anticipation of high costs.** The majority of Americans (86%) who have experienced medical debt delayed care due to the expected cost.
- **Younger workers are more likely than older ones to experience medical debt, and their debts are larger.** Of employees aged 42 or under with medical debt, 59% owe more than \$2,500, compared to 45% of workers aged 43 or older.

Goodroot stressed that employees often are unaware that financial help is available. Hospitals are federally mandated to offer “community benefits, including free or discounted urgent and medically necessary care to patients unable to pay.” However, each health system has its own financial assistance policy, eligibility criteria and application form, which can be confusing for patients.

Employer Takeaway

Medical debt is taking a toll on many Americans. Employers can help their workers by integrating hospital financial assistance into health benefits. In addition to health care benefits, some employers are also exploring providing a health-cost navigator who will work directly with employees to help them understand and use their benefits effectively by comparing pricing, reviewing bills and negotiating costs.

Employers should continue to monitor health care and benefits trends. Contact us for more resources.