

NEWS BRIEF

Provided by: National Insurance Services

Report Finds More Than 100 Million Americans Have Medical Debt

Health care debt is a significant issue in the United States. According to a recent report by Kaiser Family Foundation (KFF), over 100 million Americans have medical debt, most of which comes in the form of credit card balances, family loans or payment plans to hospitals and other medical providers.

According to KFF's report, more than half of adults in the United States have gone into debt due to medical bills in the past five years. Further, a quarter of those with health care debt owes more than \$5,000, and 1 in 8 owe more than \$10,000.

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"We have a health care system almost perfectly designed to create debt."

- ***Dr. Rishi Manchanda,
former board member
of RIP Medical Debt***

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Half of U.S. adults do not have the money to cover an unexpected \$500 health care bill, and so many medical balances go unpaid. According to the Consumer Financial Protection Bureau, last year, 58% of debts recorded in collections were for medical bills.

Takeaway

It's not only the uninsured who are struggling. According to KFF's survey, 6 in 10 adults with

coverage had gone into debt in the past five years, a rate only slightly lower than the uninsured.

For many, health care debt means making sacrifices; the report found that 63% of people had to cut spending on food and other basics, and 48% used up all or more of their savings in order to pay back their debt. This suffering takes a toll not only on employees' physical well-being when they are unable to afford the care they need but also on their mental health. And when employees are suffering, the workplace does as well.

Luckily, employers are uniquely positioned to help prevent medical debt among their employees. Employers should consider the following to assist employees:

- Review health plans to ensure maximum affordability for all employees.
- Offer benefits to help employees manage costs, such as a health savings account or financial wellness programs.
- Conduct regular training to educate employees on how to be better consumers of health care.

Contact us today for more on employee financial wellness.

