

The High Cost of Health: Analyzing America's Healthcare Affordability Crisis

A Comprehensive Analysis of Healthcare Cost Concerns and
Payment Preferences Among US Residents



INTRODUCTION

The United States healthcare system has been a hot topic for decades. Cutting edge innovation and treatments compete for headlines with skyrocketing costs and increasing inaccessibility. [Nearly 100 million Americans](#) have medical debt, and stories of people trading their retirement savings to undergo life-saving treatments aren't uncommon. But bubbling under the surface of these more sensational stories of big losses are some quietly alarming trends that show the day-to-day impact of living in the country with the [highest per capita healthcare costs in the world](#).

There are medical implications beyond the financial ones of incurring debt. These findings are the result of a 2024 survey commissioned by PayZen and conducted by CensusWide. The respondents: 1,007 Americans who had a hospital visit or surgical procedure—for themselves or for a dependent—in the last 24 months. Asked a variety of questions about the affordability and accessibility of U.S. healthcare, their answers shed light on how medical expenses affect more than their bank accounts in the present. For many, the fear of future expenses is enough to keep them out of a doctor's office, a clearly problematic reaction.

2024 PayZen-CensusWide survey respondents



1,007

Americans who had a hospital visit



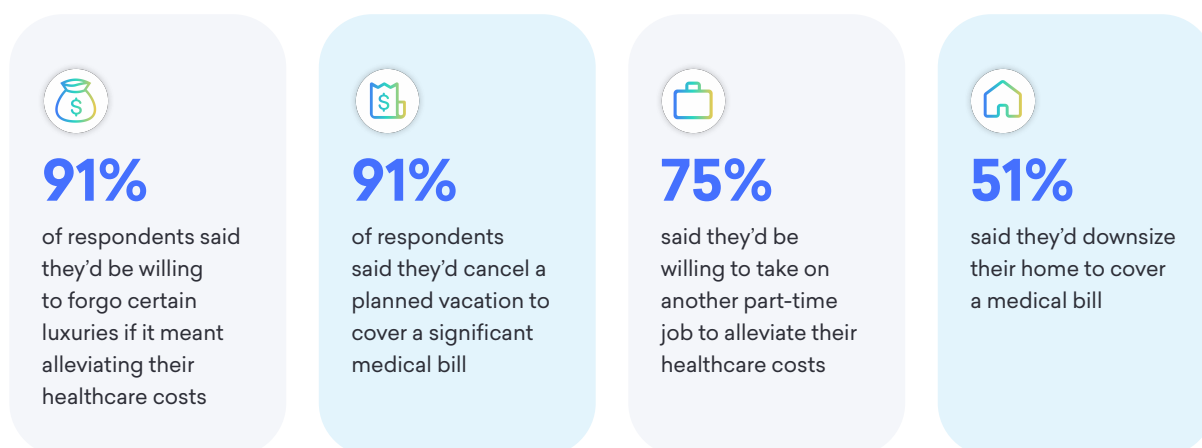
24 months

Time frame

The Health Care Affordability Crisis by the Numbers

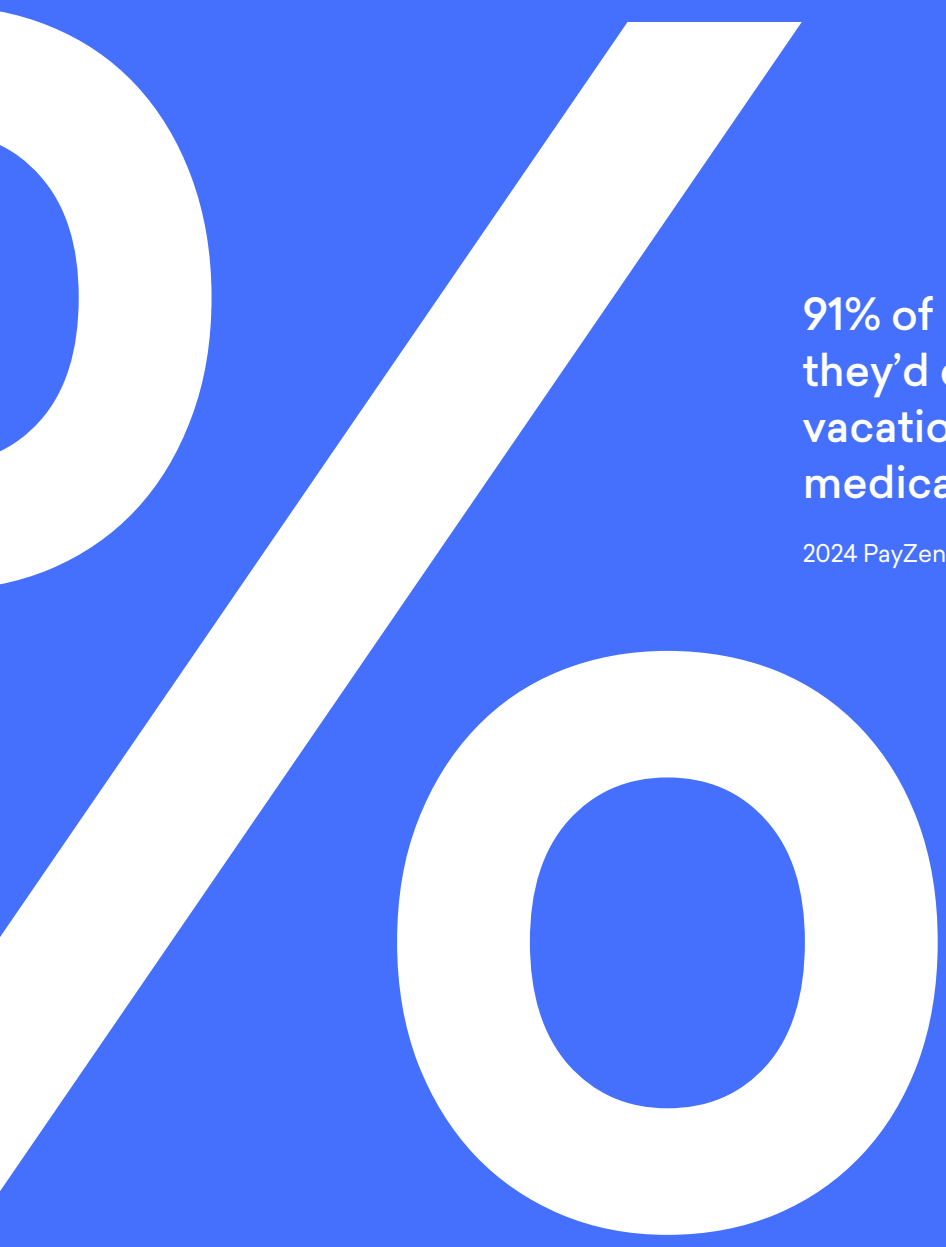
Collectively, U.S. citizens hold about [\\$220 billion in medical debt](#). When a bill goes unpaid, it's easy to cast blame on the patient and assign ill intent. Even the word used to describe past due accounts—*delinquent*—carries some inherent judgment with it. But oftentimes, these debts don't persist because patients are unwilling to pay. They simply can't afford them.

Given some hypothetical situations, the survey respondents made clear that—for most of them—paying for their healthcare is a priority.



These are not the answers of people who are unwilling to pay for their healthcare, but if hypotheticals don't prove the point then this very real statistic should:

36% of respondents skipped or postponed needed medical care in the last 12 months because of the cost alone.



91% of respondents said they'd cancel a planned vacation to cover a significant medical bill.

2024 PayZen-CensusWide survey

Increasing Costs: Not Just for the Uninsured Anymore

If the issue of affordability only affected the uninsured, the problem would be narrower in scope and likely have a more obvious solution. But the fact is, having insurance is no guarantee for affordability anymore. Out-of-pocket expenses have been steadily increasing, with premiums and deductibles both on the rise. According to the [Kaiser Family Foundation](#), insurance premiums have outpaced inflation over the last ten years, a 47% rise in the former exceeding the 30% increase of the latter. Over the last 5 years, family premiums have increased by 22% while deductibles went up 10%. Add in co-pays, and co-insurance that rises along with prices, and healthcare's affordability problem could not be any clearer.

Consider that those who are voluntarily skipping/postponing care due to cost include significant numbers of insured people:

- 49% of those who've bought private insurance still find a visit to the doctor too expensive to go
- 39% of Medicaid patients feel the same, as do
- 33% of those with employer-sponsored plans, and
- 26% of those with Medicare

As you can see, the stories of people losing everything to medical debt are just the tip of the iceberg of a deeper, more systemic problem.

Insured people postponing care due to high costs include:

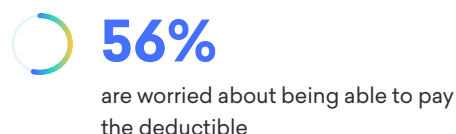
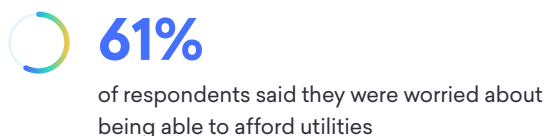


Over the last ten years, the growth in the average family insurance premium far outpaced inflation (47% vs. 30%).

Kaiser Family Foundation

Unexpected Medical Bills Top Financial Fears

Perhaps the most telling numbers of the affordability crisis come in the list of things that Americans worry about, financially speaking. Consider these findings:



These are all necessities, but they're also fixed, predictable costs. Inflation and rising costs of living have a hand in this dynamic, but finding new and bigger streams of income is possible. Easier said than done, yes, but also something that can be planned for to mitigate adverse effects. Medical expenses, on the other hand, are a different breed of debt—there is only so much you can do to keep them predictable. And this is why, of the respondents to the survey, 75% said that they fear not being able to afford unexpected medical bills.



That's because it doesn't take a medical catastrophe to create a financial one. The group with the highest rate of worry has health insurance: 85% of those who purchased private insurance, either through an ACA marketplace or directly, worry about affording medical bills. When considering an average family premium is [\\$23,968 per year](#), plus thousands more in deductibles, co-pays, and co-insurance, the weight of these financial responsibilities begins to feel insurmountable.

According to the survey, respondents have about \$1,164 worth of wiggle room for healthcare over the course of a year—they can afford another \$97 per month. This is consistent with another telling statistic: [the median savings account balance in the U.S. is roughly \\$1,200](#). Considering that about [three-quarters of Americans live paycheck to paycheck](#) and that the [average per-day hospital cost in the U.S. is \\$3,025](#) (with [an average hospital stay of between 4 and 5 days](#)), you can quickly see that you don't need a major illness for medical costs to quickly spiral out of control; these days, a broken bone will do it.

And this is the state of things: rising medical costs are having a very real and dangerous impact on people across the country, both with and without insurance. As a result, people are forgoing preventative care and avoiding treatment.



About three-quarters of Americans live paycheck to paycheck, and the average per-day hospital cost in the U.S. is \$3,025.



The average American can afford \$97 per month for out-of-pocket medical expenses.

2024 PayZen-CensusWide survey

The Consequences of Unaffordable Healthcare

The old saying, “An ounce of prevention is worth a pound of cure” takes on a new meaning in the context of American healthcare’s lack of affordability: People can’t really afford either. In the previous section, one of the telltale signs of skyhigh costs was 36% of people admitting they’ve postponed needed care to avoid the bills. Looking deeper into that number starts to make the consequences of this issue even more clear.

One statistic around those who are postponing care shines a very bright light on the systemic nature of the Affordability Crisis. Logic would dictate those with more money would be less likely to postpone care, and yet:

- 23% of respondents with an annual household income between \$75,001 and \$90,000 delayed care for a child or dependent under 18
- For those making less than \$15k a year, that number drops to 4%

Why is the family making what should be a decent salary having to juggle money and delay healthcare while those living below the poverty line don’t? The answer: federal programs like Medicaid and state-federal partnerships like the Children’s Health Insurance Program work very well to cover at-risk children. Meanwhile, families in the \$75k-\$90k range may get subsidies via ACA or cost sharing with employers, but there’s no assistance for deductibles, co-pays, and co-insurance, keeping their costs high.

The follow up questions to those who skipped or postponed medical care offered some concerning insights about what, exactly, is being skipped—and for how long:



49%

of respondents say they’ve skipped out on preventative care visits



48%

postponed filling their drug prescriptions until they could afford it



40%

have put off mental health care due to cost



39%

have postponed their care for more than a year

49% of respondents who skipped or postponed care say that they skipped preventative care visits.

The Effects of Delaying Care

There is some debate as to whether preventative medicine can promise financial savings. From a quality of life perspective, though, it's hard to argue against preventative medicine. The benefits of seeing a doctor regularly are widespread. Treatments are more successful when conditions are detected early, not to mention the boon to patients' peace of mind that comes with regular check-ups, screenings and vaccinations. A close relationship with a healthcare provider, one familiar with a patient's health history, can lead to more personalized care. Simply put, prevention improves quality of life and makes people healthier. And when avoided, patients see real consequences.

Beyond what the survey says, we also have real world data that illustrates what happens when medical care is delayed. During the first year of the pandemic, when hospitals were overwhelmed with Covid cases, many other chronic diseases became less of a priority to treat. This was bad news for the [one in seven patients who delayed or were outright denied an elective procedure](#) due to an overwhelmed medical system.

But it was "good" news for data scientists, who got such a large sample size to work from that they were able to quantify the effects of delayed care with unprecedented accuracy. Because of this, we know that [54% of those untreated people reported negative health consequences](#) as a result. And experts noted, the delay in screenings could lead to up to [10,000 deaths](#) from colorectal and breast cancer.

The respondents who'd skipped or postponed medical care reported worsening conditions:

 **68%**
reported increased stress or anxiety

 **49%**
said the health problem they were waiting on treating worsened as a result

 **45%**
noted that this led to an inability to enjoy aspects of their lives

 **25%**
experienced a negative impact on their job performance

 **25%**
experienced relationship problems

49% of respondents who skipped or postponed care said that their health problems worsened as a result.

Income Disparity Compounds the Healthcare Affordability Problem

Because Covid affected everyone, without regard to class, gender, or race, it gave a glimpse into how skipping or delaying healthcare leads to very undesirable outcomes across the population. In normal, non-pandemic times, health care delays have the same negative effects on patients. Without the equalizer of Covid, though, those delays are mostly by choice—and are about affordability. In other words, the more money you have, the less likely you are to delay necessary medical care. [A 2022 Gallup poll](#) looking at trends from the previous year found that the lower your income, the more likely you are to delay or skip care, even with a serious condition.

Those with lower incomes more often postpone or avoid recommended care, according to a 2022 Gallup poll.



34%

of people making under \$40k put off treatment for serious conditions



29%

of people making between \$40k and \$100k delayed treatment



18%

of people making over \$100k did the same

If the rate of delayed care goes up as income decreases, then healthcare's affordability problem disproportionately affects already marginalized populations. The survey bears this out:

- 36% of Hispanic respondents said they'd delayed care due to cost considerations, compared to 27% of white, non-Hispanic respondents.
- Regarding what people could afford on a monthly basis to pay medical bills—remember, the average was \$97—white respondents said they could go up to \$104 while black respondents topped out at \$57.

Extended Payment Solutions: What Patients Want

Ask anyone how to fix the United States healthcare system, and you'll likely get many different answers and opinions. Not surprising then, are the myriad approaches in dealing with the rising costs. A full systemic upheaval seems unlikely any time soon, which is much too late to solve a problem happening right now. Patients are clamoring for a better way, and the data tells us that there is real agreement on this point: people would have no problem paying off large bills if they were able to do it monthly over a longer period of time. A predictable, transparent payment solution can ease the anxieties that patients face when making difficult decisions regarding their financial and physical health.

Beyond increasing affordability and accessibility, flexible extended payment plans also benefit healthcare providers. Simply because a patient is deemed to have a low propensity to pay does not necessarily predict their willingness to pay. And if a customized payment plan can incentivize a patient to pay something rather than nothing, healthcare systems can capture previously unrealized revenue.

For their part, 85% of survey respondents say that having a quick and seamless payment experience would be a great influence on their loyalty to their healthcare provider. 81% said that if they were able to make payments over a term longer than 12 months, that would also be influential to their loyalty. This loyalty is mutually advantageous – both patients and their healthcare providers benefit from a longstanding relationship.

A predictable, transparent payment solution can ease the anxieties that patients face when making difficult decisions regarding their financial and physical health.



75%

say that having multiple options to pay over an extended period would make them more likely to pay



77%

say that making monthly payments over a period longer than 12 months would make their bills more affordable



81% of survey respondents said the ability to spread payments over a term longer than a year would positively affect loyalty to their healthcare provider.

PART 4

Creating Win-Win Economics for Patients and Providers

As insurance companies pay a smaller share of increasing costs, healthcare finance teams must consequently focus more of their efforts toward collecting patient out-of-pocket balances. But, as reflected in the survey, the average patient has less than \$100 extra per month for medical expenses.

Though the majority of patients are willing to pay their bills if given options that fit their financial circumstances, achieving affordability can require spreading payments over multiple years, especially for larger balances. And hospitals and health systems ideally don't want to extend credit and collect payments over the long term.

This challenge presents a clear threat to both the provider's financial performance and the patient's experience. Enter an affordable technology solution: [PayZen](#).

PayZen bridges the financial divide in the provider-patient relationship, paving the way for patients to afford the care they need while healthcare providers are promptly paid.

Using artificial intelligence and machine learning, the PayZen platform engages patients to enroll in affordable, interest-free payment plans that are tailored to their unique financial situation. Patients can budget realistically by choosing from different monthly payment amounts that can extend up to five years. At the same time, PayZen pre-funds the healthcare provider, moving the balance off their books.

With this customization and flexibility, patients more often opt in to paying their bills and are more successful in making their monthly payments.

PayZen's latest product, the [Care Card](#), gives healthcare consumers all the benefits of PayZen's payment plans in the form of a physical and virtual debit card for convenient use at point-of-care and in recurring care scenarios. The Care Card addresses the growing problem of patients delaying care due to cost, thus improving healthcare access while providing financial peace of mind.



“The Care Card helped me pay for procedures I needed over time, because it would have been too expensive to pay for all at once. I’m glad I didn’t have to put off necessary treatment.”

— Karen C.



Addressing the Affordability Crisis: Changing How Patients Pay for Care

America has a healthcare affordability problem. The reasons are complicated and widespread, and there is not one comprehensive fix or “silver bullet” that can address all of the financial and care access issues that patients face. However, the survey results made one thing clear: when it comes to patients’ out-of-pocket obligations, it’s not a question of willingness to pay, but of the ability to pay over time.

Fortunately however, PayZen offers a solution that addresses many of the roadblocks that prevent patients from accessing or electing for appropriate medical care due to cost. By offering patients flexible and transparent payment options, PayZen’s solution alleviates stress surrounding the financial burden of healthcare, setting the table for timely, quality care.

To learn more about how PayZen is bringing financial health to healthcare with affordability solutions designed to increase your patient payment rate, [talk to a PayZen expert today!](#)



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