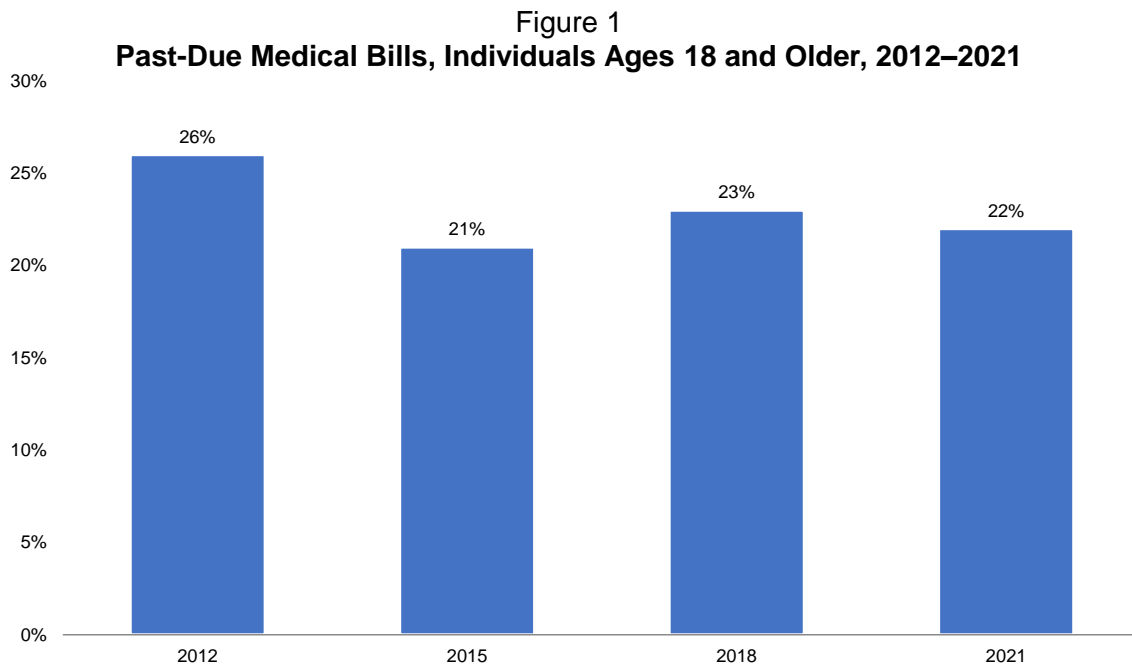


Who Has Past-Due Medical Bills and What Are the Impacts?

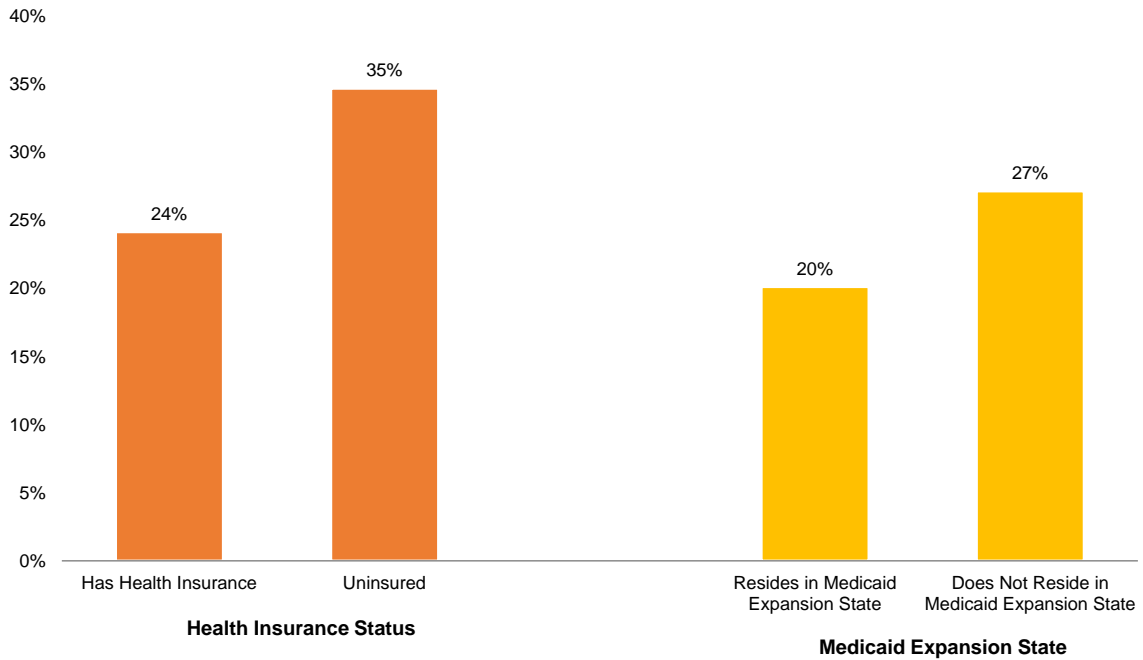
With cost sharing in employment-based health plans on the rise, participating workers often pay more out of pocket for health care services than they did in the past. Despite this increase in cost sharing, however, a [recent EBRI study](#) found that the percentage of Americans who report past-due medical bills has remained in the low 20 percent range since 2015, down from 26 percent in 2012. The study used data from the FINRA Investor Education Foundation's 2012–2021 National Financial Capability Survey (NFCS).



Source: Employee Benefit Research Institute (EBRI) estimates from the 2012-2021 National Financial Capability Survey (NFCS).

Among individuals with health insurance, one-quarter (24 percent) reported past-due medical bills, compared with 35 percent of uninsured individuals. Further, individuals residing in Medicaid expansion states were less likely than those residing in states that did not expand Medicaid to report past-due medical bills (20 percent vs. 27 percent, respectively).

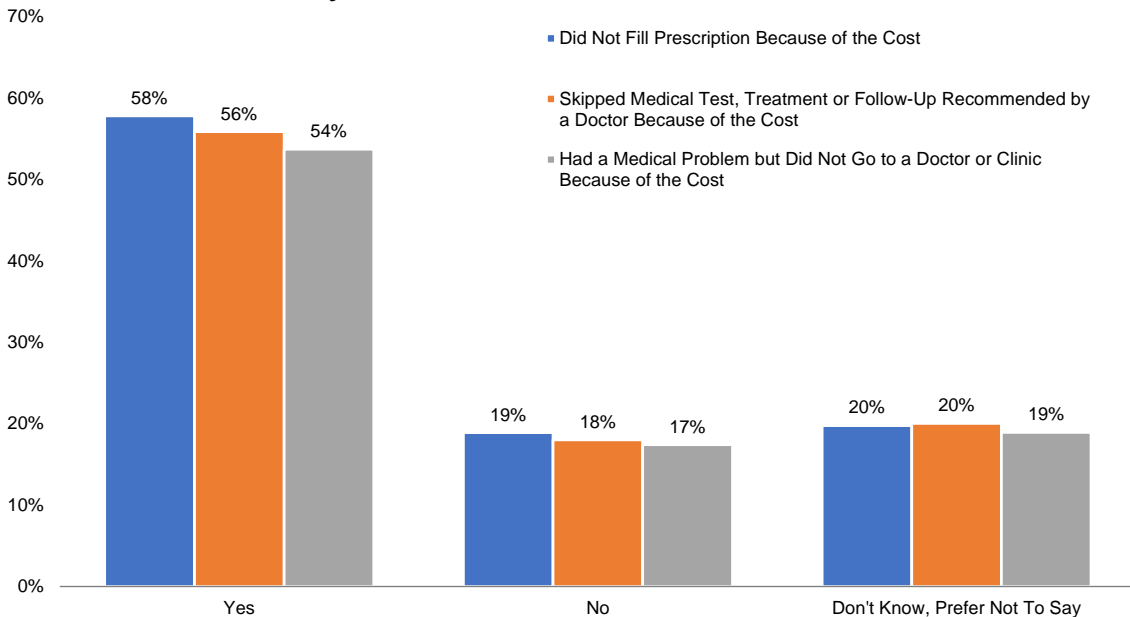
Figure 2
Past-Due Medical Bills, Individuals Ages 18–64, by Health Insurance Status, 2021



Source: Employee Benefit Research Institute (EBRI) estimates from the 2021 National Financial Capability Survey (NFCS).

Past-due medical bills were highly correlated with lower usage of health care services. Among individuals who reported past-due medical bills, 58 percent indicated that they had not filled a prescription because of the cost; 56 percent reported that they skipped a medical test, treatment, or follow-up recommended by a doctor; and 54 percent reported that they did not go to the doctor for a medical problem because of the cost.

Figure 3
Past-Due Medical Bills, Individuals Ages 18–64, by Use of Health Care Services, 2021



Source: Employee Benefit Research Institute (EBRI) estimates from the 2021 National Financial Capability Survey (NFCS).

The study also found that:

- Compared with other sources of debt, Americans were less likely to have past-due medical bills.
- Women were slightly more likely than men to report past-due medical bills.
- The likelihood of having past-due medical bills increased with age for younger adults but decreased with age for older adults.
- Black adults were more likely than other race/ethnicity groups to report past-due medical bills.
- Adults with no more than a high school diploma were likelier than those with a college or graduate degree to report past-due medical bills.
- As income increased, the odds of having past-due medical bills decreased.
- Individuals with past-due medical bills were more likely than those without past-due medical bills to report several other financial challenges.

Although levels of medical debt are often low, the potential for adverse effects resulting from that debt remains a concern. Medical debt on credit reports can affect one's ability to:

- Obtain a mortgage.
- Get a lease for an apartment.
- Get insurance.
- Get a job.
- Obtain other forms of credit.

Medical debt may also affect credit worthiness, which in turn affects the interest rate that a consumer can get on a loan. Medical debt may also lead to delay or avoidance of health care, which can result in not just higher health care costs in the long term, but also worse health outcomes. Beginning in July 2022, the three major credit reporting bureaus began phasing in changes to the way medical debt is included in credit reports to address some of these adverse effects.

About EBRI: The Employee Benefit Research Institute is a private, nonpartisan, and nonprofit research institute based in Washington, D.C., that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public and private organizations. For more information, visit www.ebri.org.

A Thank You To Our Funders: This study was supported by a grant from the FINRA Investor Education Foundation. The study was conducted through the EBRI Center for Research on Health Benefits Innovation (EBRI CRHBI), which receives funding support from the following organizations: Aon, Blue Cross Blue Shield Association, FINRA Investor Education Foundation, ICUBA, JP Morgan Chase, Pfizer, and PhRMA. Any views expressed in this report are those of the authors and should not be ascribed to the officers, trustees, or other sponsors of EBRI, EBRI-ERF, or their staffs.

FINRA Investor Education Foundation

The FINRA Investor Education Foundation, established in 2003 by the Financial Industry Regulatory Authority, Inc., empowers underserved Americans with the knowledge, skills, and tools to make sound financial decisions throughout life. For details, visit www.FINRAFoundation.org.

###