



NEW SURVEY: Nearly 1 of 4 Adults with Health Coverage Struggle with High Out-of-Pocket Costs and Deductibles; Majority of Underinsured in Employer Plans

Commonwealth Fund Report Says Extending Enhanced Premium Tax Credits and Strengthening Protections Against Medical Debt Could Make Coverage More Protective and Affordable

The Affordable Care Act (ACA) and recent reductions in marketplace premiums have brought U.S. uninsured rates to record lows, with most working-age Americans covered throughout the year. However, a new Commonwealth Fund survey shows that coverage gaps remain, and health plans — including those offered by employers, which cover most people — do not always guarantee affordable or timely access to care. The report suggests ways policymakers can expand coverage and lower costs for consumers.

Fielded between March and June of 2024, the Commonwealth Fund 2024 Biennial Health Insurance Survey asked a nationally representative sample of adults ages 18 to 64 about their experiences with health insurance. The survey found that about one of five respondents had been uninsured at some point during the year, and nearly a quarter (23%) who had insurance were *underinsured* — that is, enrolled in health plans with high out-of-pocket costs that make it difficult to afford care. Among those underinsured, two-thirds (66%) had coverage through an employer, 14 percent had individual or marketplace plans, and 11 percent were enrolled in Medicaid. More than half (57%) reported forgoing care because of cost and 44 percent said they carry medical debt.

Key findings:

- Most underinsured adults — two-thirds (66%) — are covered through an employer-based health plan.
- More than half of adults who were uninsured or underinsured reported skipping recommended treatments or not filling prescriptions due to cost.
 - Additionally, up to one-third of people with a chronic condition, such as heart failure and diabetes, said they didn't fill prescriptions for their health conditions due to cost.

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The Commonwealth Fund is a private, nonprofit foundation supporting independent research on health policy reform and a high-performance health system.

- Over one-third of working-age adults who were uninsured or underinsured are paying off medical or dental debt, forcing many to delay or avoid necessary care, forgo essential needs, and experience stress.
 - Nearly half (48%) of all adults with medical debt owe \$2,000 or more; one of five (21%) carry a staggering \$5,000 or more in debt.
 - About half (51%) of adults with debt said it stemmed from treatment they received for an ongoing health condition; hospital care was cited as the most frequent source of debt (49%).
- Delaying or skipping care is harming people's health.
 - Two of five adults (41%) who skipped or delayed needed care because of the cost said their health problem has worsened as a result. This was especially true for people who were experiencing poor health and had lower incomes (45%).

IMPLICATIONS

The study authors note critical gaps in our health insurance system and say federal and state policymakers can help. Areas ripe for reform include:

- **Medicaid expansion:** Ten states have not expanded eligibility for Medicaid under the ACA, leaving 1.5 million of the nation's poorest people uninsured.
- **Fragmented coverage:** Americans receive health insurance through various sources — employers, Medicaid and the Children's Health Insurance Program, Medicare, and the ACA marketplaces — each with different eligibility criteria. This fragmented system leads to coverage gaps, especially when people's life circumstances change.
- **High health care costs:** U.S. health care prices are among the highest in the world. This ultimately places the financial burden on consumers, who pay more for their insurance and face higher deductibles, out-of-pocket maximums, and copayments.

Policy options that could bring better coverage to more people include:

- Permanently extend enhanced marketplace premium tax credits, introduced during the COVID pandemic, which are set to expire in 2025. Without these credits, annual premium costs for consumers in marketplace plans will spike by an average \$705 and an estimated 4 million could lose coverage.
- Remove medical debt from credit reports and enforce stronger requirements on hospitals to prevent patients from accumulating debt.
- Lower deductibles and out-of-pocket costs in marketplace plans.
- Adjust premiums and cost sharing in employer plans based on workers' incomes to make coverage more affordable and comprehensive for lower-wage employees.

FROM THE EXPERTS:

Sara R. Collins, lead study author and Commonwealth Fund Senior Scholar and Vice President for Health Care Coverage and Access & Tracking Health System Performance

“The Affordable Care Act has covered 23 million people and cut the uninsured rate in half. But high costs are a serious problem for many Americans, regardless of the kind of insurance they have. Congress, employers, insurers, and health care providers all play a role in lowering costs and making care more affordable, so families can avoid debt and get the care they need to stay healthy.”

Joseph R. Betancourt, M.D., Commonwealth Fund President

“Millions of families across the U.S. can't afford the care they need, including many who are managing chronic conditions like diabetes and heart disease. As a primary care physician, I routinely see patients facing unexpected costs that prevent them from getting essential care to stay well and avoid illness. At the end of the day, these financial barriers ripple through our health care system, driving up costs — with preventable hospitalizations being just one of many costly consequences. Ensuring that all Americans have access to affordable, comprehensive coverage is critical not only to people's health and economic security but also for a strong health care system.”

- Establish a federal fallback option to cover the estimated 1.5 million uninsured people in the 10 states that haven't expanded their Medicaid programs.
- Allow states to maintain continuous Medicaid eligibility for adults for 12 months — as has been done for children in Medicaid and the Children's Health Insurance Program. This would help prevent lapses in coverage because of eligibility changes, administrative errors, and other factors that can leave people uninsured and unable to get care.

The full report will be available after the embargo lifts at:
<https://www.commonwealthfund.org/publications/surveys/2024/nov/state-health-insurance-coverage-us-2024-biennial-survey>

HOW WE CONDUCTED THIS SURVEY

The Commonwealth Fund 2024 Biennial Health Insurance Survey was conducted by SSRS from March 18 through June 24, 2024. The survey consisted of telephone and online interviews conducted in English and Spanish among a random, nationally representative sample of 8,201 adults age 19 or older in the continental United States. A combination of three probability-based sampling frames — address-based (ABS), SSRS Opinion Panel, and prepaid cell phone — were used to reach people. The majority of respondents completed the survey online.

Statistical results were weighted to compensate for sample designs and patterns of nonresponse that might bias results. The resulting weighted sample is representative of the approximately 253.5 million U.S. adults age 19 or older. The survey has an overall maximum margin of sampling error of +/- 1.5 percentage points at the 95 percent confidence level.

The ABS portion of the survey achieved a 10.5 percent response rate, the SSRS Opinion Panel portion achieved a 3.4 percent response rate, and the prepaid cell phone portion achieved a 2.3 percent response rate.

This brief focuses on respondents under age 65. The resulting weighted sample is representative of approximately 196.4 million U.S. adults ages 19 to 64. The survey has a margin of sampling error of +/- 1.7 percentage points at the 95 percent confidence level for this age group.

ADDITIONAL PERTINENT RESEARCH

[Paying for It: How Health Care Costs and Medical Debt Are Making Americans Sicker and Poorer](#)

[Unforeseen Health Care Bills and Coverage Denials by Health Insurers in the U.S.](#)

[Congress Can Give States the Option to Keep Adults Covered in Medicaid](#)

[The New Gold Standard: How Changing the Marketplace Coverage Benchmark Could Impact Affordability](#)