

Affordability of Health Care for People with Employer Insurance

The Commonwealth Fund 2023 Health Care Affordability Survey¹ asked a nationally representative sample of working-age U.S. adults (ages 19–64) about their ability to afford health insurance and health care and about the impact that health costs have on their household budget. This fact sheet presents results for the 3,032 respondents who were insured for the full year and had employer-sponsored health coverage at the time of the survey.

Over half the U.S. population under age 65 — more than 155 million people — get their health insurance through an employer.² Growth in health care spending, mostly driven by prices paid to hospitals, doctors, and pharmaceutical companies, has fueled growth in premiums and deductibles in employer plans over the past decade. Many people, especially those with low or moderate incomes, are spending more on premiums and deductibles relative to their income than they did a decade ago. Among survey respondents with employer coverage:

43% said it was **very or somewhat difficult** to afford their health care.

29% said they or a family member had delayed or skipped needed health care or prescription drugs in the past 12 months because **they couldn't afford the cost**.

54% of people who reported delaying or forgoing care because of cost said **a health problem got worse as a result**.

30% were **paying off debt** from medical or dental care.

34% of people with medical debt said it had led them or a family member **to delay or avoid getting needed health care or filling prescriptions**.

57% spent **10 percent or more of their monthly household budget** on health care.

24% of **low-income adults** spent 25 percent or more.

29% said health care costs had made it **harder to afford food**.



29% said their health costs had made it harder for them to pay for **common household expenses like electric or heating bills**.



Policy Options for Making Health Care More Affordable

- More employers could adjust premiums and cost sharing based on employee income.
- States, which regulate fully insured employer plans, could improve coverage in those plans.
- Congress could consider reforms to the Employee Retirement Income Security Act of 1974 (ERISA), which preempts state regulation of self-insured plans, to strengthen states' ability to improve coverage.
- Congress could consider reforms to ERISA that expand the fiduciary obligation of employers to provide meaningful coverage to their employees.
- Congress could increase the minimum employer health benefit standards under the Affordable Care Act and more strongly enforce those standards.
- Federal and state governments could protect consumers from financial ruin caused by medical debt.
- The private and public sectors could address the high commercial prices fueling growth in consumer health costs.

1. Sara R. Collins, Shreya Roy, and Relebohile Masitha, *Paying for It: How Health Care Costs and Medical Debt Are Making Americans Sicker and Poorer* (Commonwealth Fund, Oct. 2023).

2. Caroline Hanson et al., "Health Insurance for People Younger Than Age 65: Expiration of Temporary Policies Projected to Reshuffle Coverage, 2023–33," *Health Affairs* 42, no. 6 (June 2023): 742–52.

