

# *No More Medical Debt*

Leveraging Care Navigation & Hospital Financial Assistance to Craft Affordable Benefits





### About Goodroot

Goodroot is an interconnected community of companies making every interaction between human and health accessible, affordable and seamless. Goodroot's community, which includes AlignRx, Breez, CoeoRx, Emyr Health, Penstock, RemedyOne, Sola and Nuwae, delivers transformative tech and proactive services that enable clients, partners and patients to reap more value from the money spent on health. We're laser-focused on holistically reinventing healthcare, one system at a time, to improve affordability and accessibility for patients. To date, we've removed over \$1 billion in wasteful and unnecessary spending from the industry.



### About Emyr

Emyr is a health-cost navigator committed to maximizing the value of employer and employee healthcare investments and removing complexity to create better, lower-cost benefit experiences. By proactively guiding patients before and after treatment, we help employees make smart healthcare choices that save them—and their employers—significantly.



### About Empara

Empara is developing mission driven healthcare technologies. Our Health Engagement Platform helps to transform complex self-funded plans into intuitive healthcare experiences, delivering powerful savings and benefit-enhancing solutions through one streamlined platform, seamlessly connecting members to the right benefits when it matters most.



### About Sola Health

Sola Health delivers intuitive human-centered health plans and superior care at a lower cost. We're breaking the mold, freeing employers and employees from unaffordable healthcare and raising the bar for benefits in the workplace by delivering refreshing, on-demand health experiences.

# *It's clear the current system isn't working for anyone*

Goodroot surveyed 2,000 American adults to gauge medical debt prevalence and level of awareness and experiences concerning hospital financial assistance programs.

## **The State of Medical Debt in America\***

**40% of Americans say they have experienced medical debt.**

**Of those Americans who are currently in medical debt 47% owe more than \$2,500.**

**38% of Americans have at some point been unable to afford rent, groceries or utilities because of medical bills.**

**86% of Americans who have experienced medical debt have put off care due to the anticipated cost.**

\*While this guide is focused on employees who receive insurance through their employer, those respondents were part of a larger representative sample of all Americans. These results come from that larger sample.

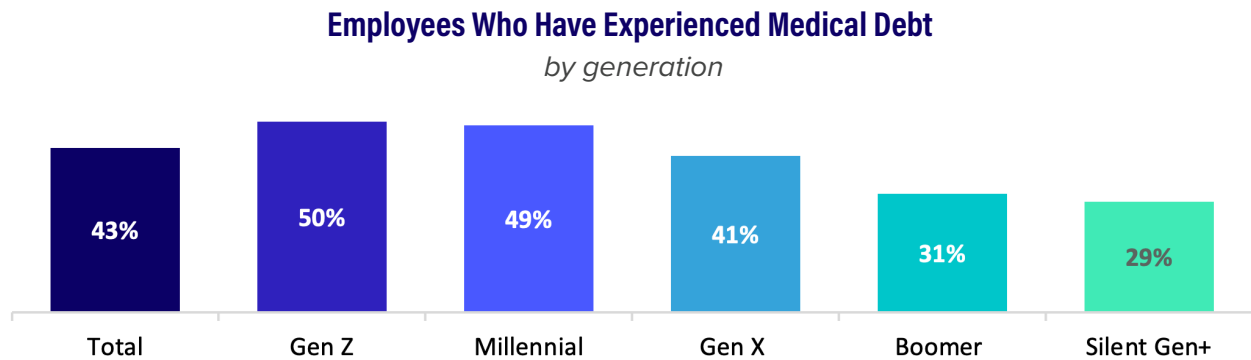


## Even employees with employer-provided health insurance are not immune from the burden of health care costs

Employers, on average, spent about \$17,393 for family coverage per employee in 2023—up nearly 48% since 2013. Employers are spending millions to provide quality healthcare benefits. And yet, employees are still struggling with medical debt.

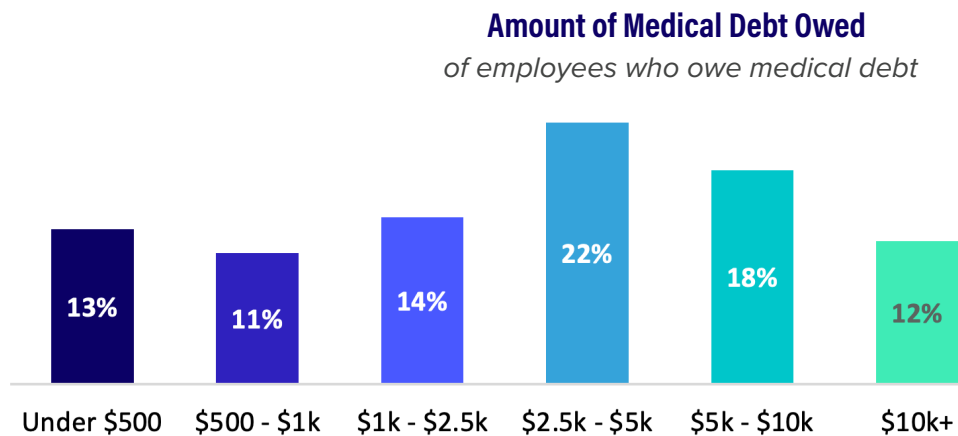
### 43% of employees have experienced medical debt

For the purposes of this guide, we isolated survey results to focus specifically on employees with commercial, employer-sponsored coverage. We found high rates of medical debt among individuals with commercial insurance, as well as a generation gap.



### Younger workers are 29% more likely to have experienced medical debt than older workers and their debts are larger.

“One would assume that older workers, who may have more health issues, would have greater prevalence and amount of medical debt, but our data shows that younger workers bear a greater burden on average.” - **Goodroot CEO Mike Waterbury**

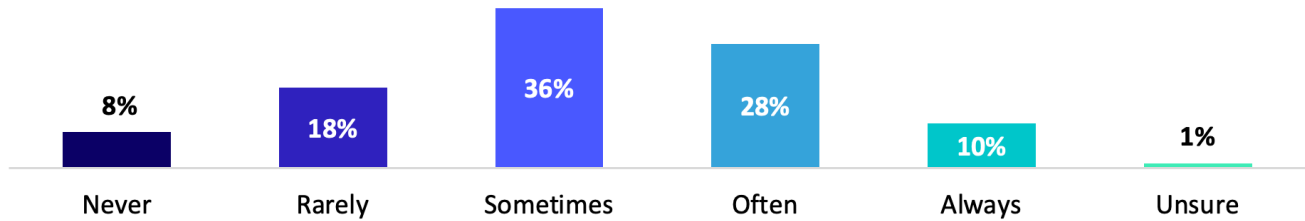


**52% owe more than \$2500**

# *92% of employees who have experienced medical debt skip medical care to avoid costs*

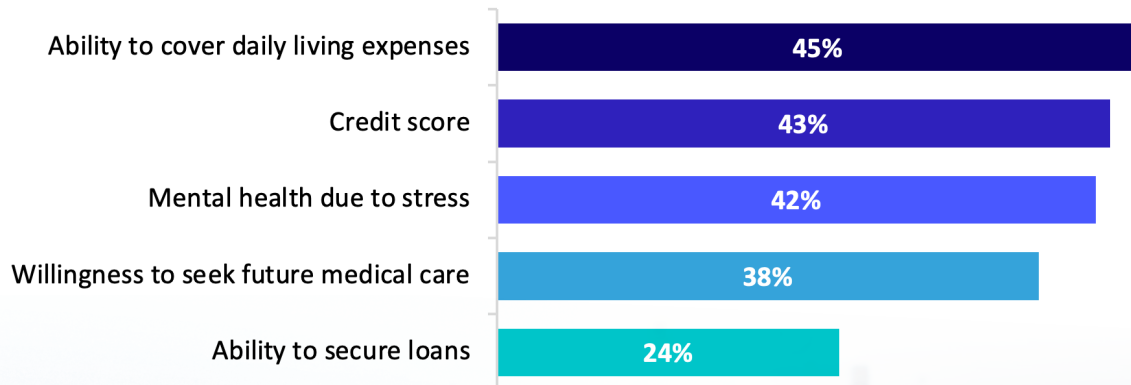
## Employees Are Avoiding Care Due to Cost

*of employees who have experienced medical debt*



A significant portion of employees skip medical care to avoid costs. This trend of cost-avoidance behavior in seeking medical care can directly impact workplace productivity and employee wellness. It not only compromises immediate health but also risks exacerbating conditions over time, potentially leading to the need for more intensive, and consequently more expensive, healthcare interventions in the future.

## Medical debt has impacted...



**45% of employees who have experienced medical debt said it has impacted their ability to cover daily living expenses.**



## A Critically Underutilized Solution: Integrated Hospital Financial Assistance in the Health Benefit

### What is Hospital Financial Assistance?

In return for nonprofit and tax-exempt status, hospitals are federally mandated to offer “community benefits, including free or discounted urgent and medically necessary care to patients unable to pay.”

### Who Qualifies?

Each hospital or health system has their own Financial Assistance Policy, eligibility criteria and application form. While each hospital has slight differences, both insured and uninsured individuals who meet the hospital's set income limits are typically eligible for financial assistance.

### How is it Accessed?

Applying for hospital financial assistance can be a cumbersome and confusing experience for patients. With practices varying significantly between hospitals, from outdated paper application forms to instructions hidden deep within hospital websites, the current system lacks the ease and intuitiveness necessary for a stress-free application experience.

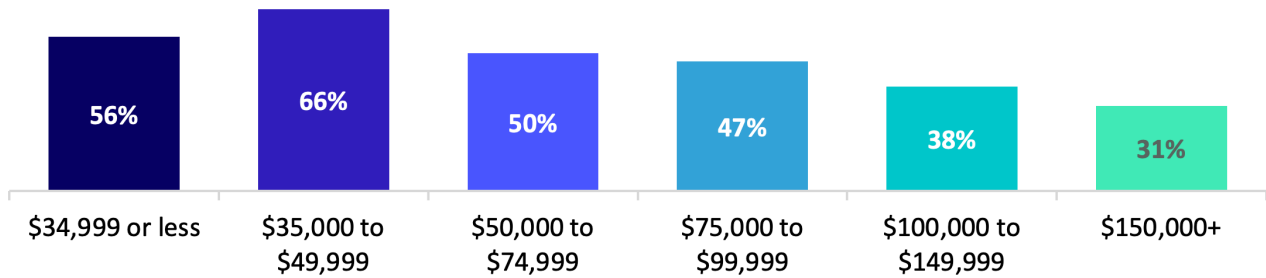
# 53%

**of households earning under \$100,000/year are unaware of financial assistance, despite a likelihood that they are eligible for it.**



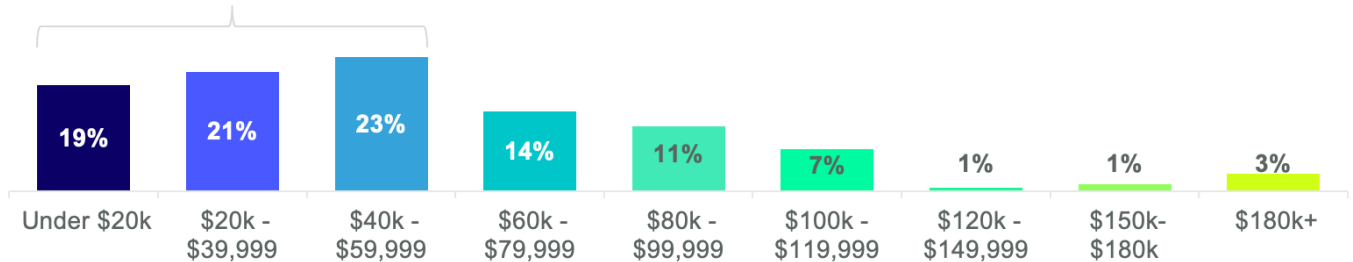
**Families of four making up to \$120,000 (and in some areas up to \$180,000) can be eligible for financial assistance, a stark contrast to public perception.**

**Employees Who Aren't Aware Hospital Financial Assistance Exists**  
*by household income*



**Maximum Household Income Employees Think Can Qualify for Hospital Financial Assistance**

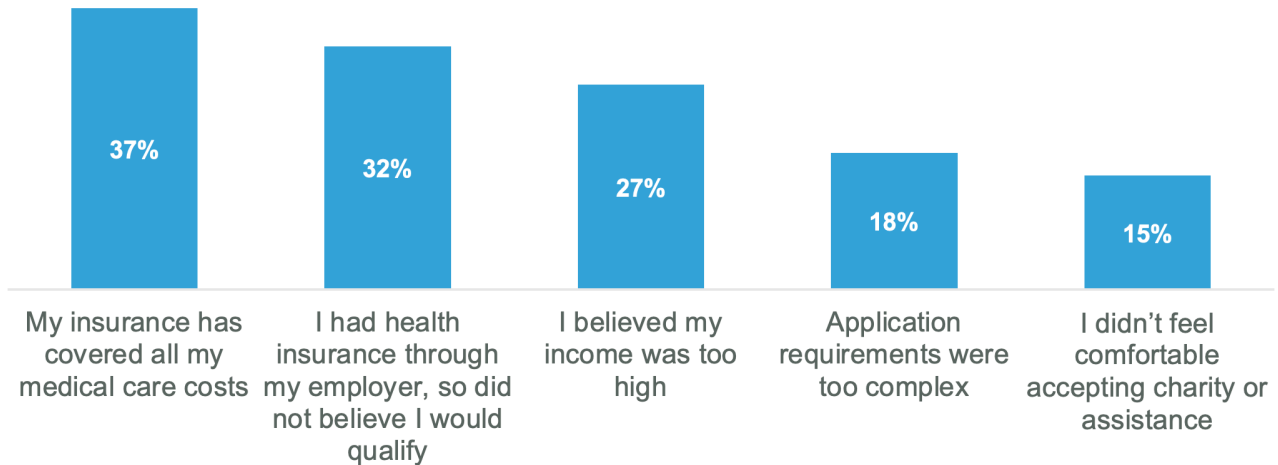
**63%** estimate a maximum income of less than \$60k for hospital financial assistance eligibility



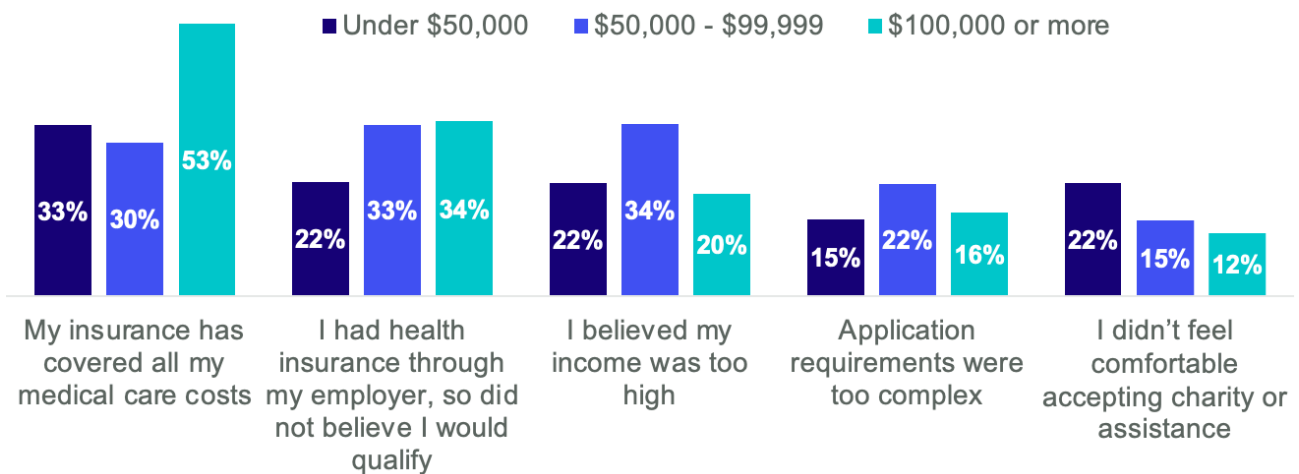
## Why Aren't More People Applying?

For those earning under \$50,000, 45% incorrectly assumed that their income was too high or that employer-provided health insurance disqualified them from receiving hospital financial assistance. And for those with incomes between \$50,000 and \$99,999, 67% didn't apply for hospital financial assistance because they believed their income was too high or that employer-provided health insurance disqualified them from receiving hospital financial assistance.

### Reasons Your Employees Aren't Applying for Hospital Financial Assistance



### By Income





## On average, annual premiums plus the cost of one hospital stay is equal to 13% of an employee's annual household income. That math just doesn't work.

+ **\$75K** The national median household income is \$75K.

— **\$9.6K** The amount billed for an average hospital stay is \$13K, so the annual financial burden for a covered employee with one hospital stay: \$6,649 (avg. annual family premium) + \$3,000 (avg. individual deductible) = \$9,649.

= **13%** That's 13% of the national median household income! And remember, this doesn't account for potential coinsurance or other uncovered expenses.

**#1** It's no wonder medical debt is the # 1 cause of bankruptcy in the U.S.— even for people with health insurance.



## How Can We Fix This?

Our comprehensive guide for employers, brokers, and TPAs dives into hospital financial assistance, delivering actionable insights and strategies to leverage its powerful potential.

## A Call to Action You Can't Afford to Ignore

With members potentially eligible for assistance and yet not utilizing these programs, the cost implications are clear—your organization and your people could be shouldering unnecessary costs.

*If you read one guide this year—it should be this one.*



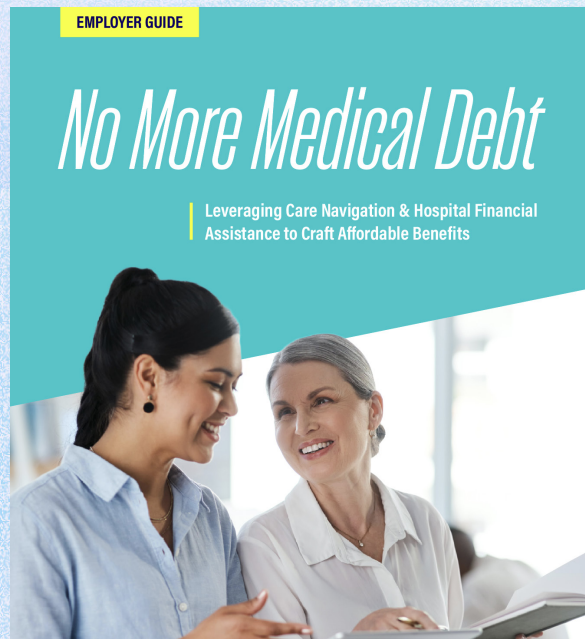
## Our full guide covers:

- Healthcare Realities for Employers & Their People
- Preventable Drivers of High-Cost Medical Claims
- A Critically Underutilized Solution: Integrated Hospital Financial Assistance in the Health Benefit
- Supercharging Employer-Sponsored Health Plans with Healthcare Navigation
- Integrating These Solutions into Your Benefit

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**EMPLOYER GUIDE**

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**High-Cost Medical Bills**

Income

Income Bracket	Applied for financial assistance	Not paid my bills	Nothing - I just paid it
\$75k to less than \$100k	27%	33%	31%
\$100k+	23%	25%	27%

Applied for financial assistance

Not paid my bills

Nothing - I just paid it

Results across different income brackets in response categories, only a small percentage of people

assistance, many of these individuals likely would end of dollars. This is especially pertinent given awareness and application for hospital financial benefit opportunity for more individuals to benefit alleviate the burden of medical bills.

ment plans or have negotiated to reduce the use earning less than \$50k.

ination and assistance in the application process substantial number of employees in significantly

# *No More Medical Debt*

An Employer's Guide to Leveraging Care Navigation &  
Hospital Financial Assistance to Craft Affordable Benefits

