

No More Medical Debt

Leveraging Care Navigation & Hospital Financial Assistance to Craft Affordable Benefits



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

In today's economy, health insurance is a priority for both employees and employers. For employees, it is a critical component of the compensation package—one that the majority of working people value above all other benefits. For employers, it serves as a symbol of care and commitment that can be a powerful recruitment and retention tool. Yet, the cost of providing health benefits continues to rise, posing significant challenges for businesses.

With healthcare costs skyrocketing, employers often find themselves cornered, left with no alternative but to shift these increasing expenses onto their employees or to reduce benefits.

The root of the issue? A healthcare system that's faltering and policy decisions that, time and again, miss the mark. The failures of our healthcare system and policymakers have culminated in an untenable burden placed on both employers and their workforce. In fact, according to a study by KFF, 9 out of 10 business leaders predict that the cost of employer-provided healthcare will become unmanageable by 2030.

With total average annual premiums for family health insurance coverage in the workplace now approaching \$24,000, the financial strain on both employers and employees is becoming increasingly evident. A broad increase in the dollar amount of deductibles and the rise of the high-deductible health plan (HDHP) are both testament to this trend.

Yet, within these challenges is an opportunity for innovation and collaboration. In our latest Insight Guide, Goodroot's team of experts offers a comprehensive analysis of the healthcare challenges that are leading to increased costs for American businesses and their employees. This guide is filled with valuable insights and thoughtfully crafted strategies for self-funded and fully insured employers who would like to safeguard their business and their workforce from the excessive financial burdens often associated with healthcare.





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.

Methodology

Much of the data used for this guide comes from a comprehensive survey conducted by Goodroot and its affiliates to gauge medical debt prevalence among those with employer-sponsored health insurance, and the level of awareness and experiences concerning hospital financial assistance programs. This survey reached 2,000 American adults, with participants carefully chosen to reflect a diverse cross-section of the population. This selection was based on various demographic factors such as age, income, ethnicity, and insurance status, ensuring a representative and inclusive sample. For the purposes of this guide, we isolated survey results to focus specifically on employees with commercial, employer-sponsored coverage.

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Healthcare Realities for Employers

There is a shift occurring in the employer landscape. Against a backdrop of still-elevated inflation, a challenging economic climate and the highest year-over-year healthcare premium increases in over a decade, businesses have been forced to make cuts across the board. Today's employers face a pivotal challenge: **how to continue offering valuable benefits amidst escalating costs without overburdening employees.**

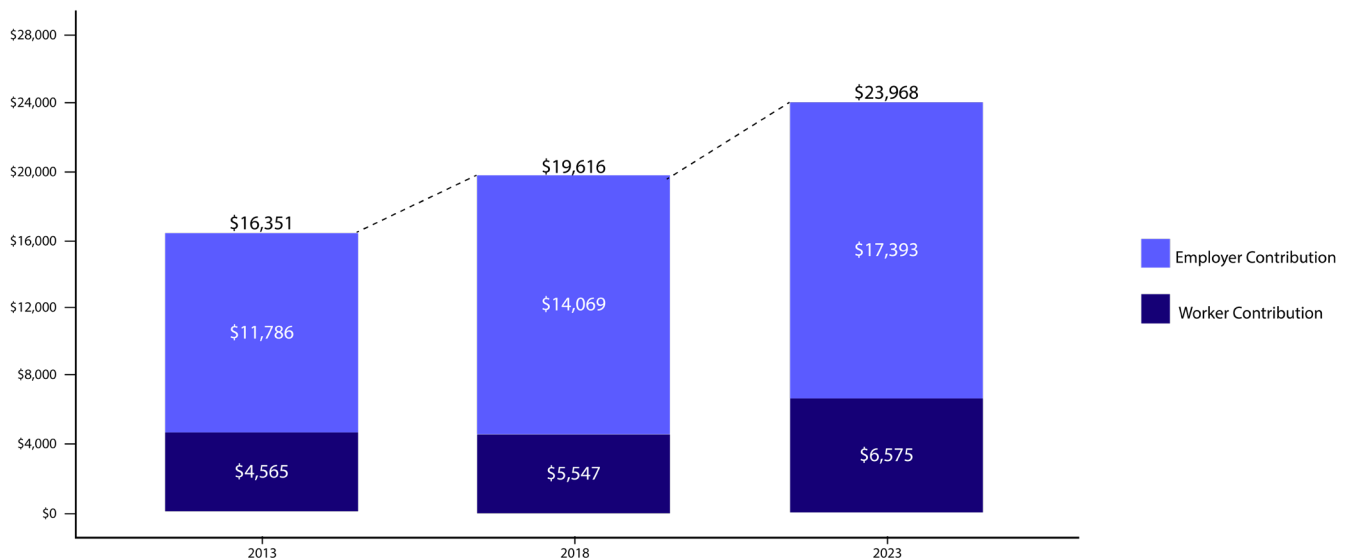
Inflation and High Healthcare Premiums

The soaring inflation of recent years has cast a shadow on businesses, increasing costs across the board, from essentials like healthcare to more indirect expenses like customer acquisition. Such economic pressures can deplete a company's financial reserves, driving them to tighten the belt on expenditures. However, the story doesn't end with inflation.

Considerable increases in annual health insurance costs have become predictable and show no signs of abating. Forecasts from benefit consulting firms, Mercer and Willis Towers Watson, suggest employer coverage costs could rise by approximately 6.5% in 2024 alone for fully insured plans.

Employers spent about \$17,393 for family coverage per employee in 2023—up 47.54% since 2013. It's no surprise 90% of business leaders see healthcare coverage becoming untenable within seven years.

Average Annual Worker and Employer Premium Contributions for Family Coverage, 2013, 2018 and 2023



Source: KFF

The Consolidated Appropriations Act

The Consolidated Appropriations Act (CAA) of 2021 established protections for consumers related to surprise billing and transparency in healthcare. An unintentional result of the law has created more layers of complexity for employers. Now, those employers offering health benefits aren't just juggling budget constraints and employee well-being, but also navigating fiduciary obligations, and the potential consequences of non-compliance, set in place by the CAA:

Adoption of a New Fiduciary Standard

The CAA requires employers to adopt a higher fiduciary standard, similar to the one applied to 401(k) plans. This means employers must act with increased diligence and ensure health plans are managed in the best interest of the employees.

Efficient and Prudent Contracting for Health Services

Employers are now obligated to contract for health services in a manner that is both efficient and prudent. This involves careful evaluation of the cost-effectiveness and quality of the services being provided.

Understanding Broker Compensation

Employers must gain a clear understanding of how brokers are compensated. This includes knowing about any commissions brokers receive from health plans, stop-loss insurance, pharmacy benefit management, or other related services.

Transparent Relationship with Service Providers

The regulations emphasize the need for transparency in the relationships between employers and health plan service providers. This includes understanding the financial incentives and potential conflicts of interest that might affect decision-making.

Disclosure of Costs and Comparative Analysis

The CAA mandates that employers disclose the cost of health services and conduct comparative analyses to ensure the reasonableness of these costs.

Employee Communication and Engagement

Employers must effectively communicate with their employees about the changes in the health plans and how these changes impact them. Employee engagement and understanding are crucial under the new standards.

Compliance with Reporting Requirements

The CAA introduces new reporting requirements for health plans. Employers must ensure they are compliant with these requirements to avoid penalties.

The Employee Retirement Income Security Act (ERISA) dictates that the liability for CAA compliance rests squarely with the employer or its designated “plan fiduciary.” Managing these obligations is difficult, but doing so amidst elevated inflation is even tougher. Employers must now champion the dual cause of both safeguarding the interests of their employees in health plan decisions and ensuring meticulous cost management for their business.

The No Surprises Act

The No Surprises Act, which took effect on January 1, 2022, introduced several protections for patients against unexpected medical bills, particularly from out-of-network services in emergency situations. For employers offering health benefits to their employees, the implications could be significant:

- **Cost Management:** While the act aims to reduce surprise medical bills for employees, it may lead to negotiations and arbitrations between providers and insurers to settle on a fair price for services, potentially impacting overall healthcare costs.
- **Employee Education:** Employers need to educate their workforce about the protections offered by the act to ensure they understand their rights and the billing process for out-of-network emergency services and certain in-network services.
- **Increasing Acquisition of Physician Practices by Hospitals:** When a hospital acquires a physician practice, the billing for services provided by these physicians typically falls under the hospital's purview. This means that the hospital's financial assistance policies would extend to cover these services. For employers and employees, this is a crucial point to consider, especially in light of the No Surprises Act. Even with the increased transparency and protections offered by the Act, the complexity of billing and the nuances of financial assistance programs necessitate careful attention. Employers should guide their employees to understand that, in cases where their healthcare providers are part of a larger hospital system, the hospital's financial assistance program could provide a safety net against high medical expenses for eligible employees.
- **Healthcare Strategy & Financial Planning:** Employers might need to revisit their healthcare strategy and consider the benefits of self-funded plans versus fully insured plans, as the act may affect the cost-benefit analysis of these options. With the No Surprises Act, employers with self-funded plans are in a strategic position to manage finances with a better forecast of medical costs. The act's established IDR process can be leveraged to contest excessive out-of-network charges. This could lead to more favorable outcomes in disputes, potentially lowering costs for services that would otherwise be billed at higher rates. Additionally, by avoiding the profit margins and administrative costs that come with fully insured plans, self-funded employers can further streamline financial operations, aligning with the protections against surprise billing to create a cost-effective healthcare strategy.

A Shift to Alternative Health Insurance Models

As health insurance costs continue to rise, many employers have shifted more of the costs to their employees through alternative health insurance plans, including High Deductible Health Plans (HDHPs) and Minimal Essential Coverage (MEC) Plans.

High Deductible Health Plans (HDHPs)

HDHPs were originally designed to get more people insured. The idea was that people would choose to get preventative care, make better lifestyle choices and shop around for care because they were on the hook for increased out-of-pocket costs due to a large deductible. In 2023, HDHPs included a deductible of at least \$1,500 for an individual or \$3,000 for a family. The maximum out-of-pocket expenses were \$7,500 for an individual and \$15,000 for a family.

HDHPs have also become increasingly prevalent as a means for employers to offer healthcare benefits while managing costs.

The Amount of Workers Enrolled in HDHPs Has Increased 21.4% in the Last 10 Years

Year	Workers enrolled in HDHPs	Year-over-year % change
2012	34.30%	N/A
2013	30.30%	-11.50%
2014	35.20%	16.00%
2015	39.40%	12.00%
2016	42.60%	8.10%
2017	48.70%	14.20%
2018	49.10%	0.90%
2019	50.50%	2.90%
2020	52.90%	4.80%
2021	55.70%	5.30%

Source: ValuePenguin



Minimum Essential Coverage (MEC) plan

Another alternative health insurance model that's gained popularity in recent years is a MEC plan. As the name states, these plans meet the minimum requirements of the Affordable Care Act, allowing employers to avoid tax penalties by offering some coverage to their workforce. These plans, typically offered to part-time, seasonal or low-wage workers, can also result in high out-of-pocket costs due to the limitations of the coverage.

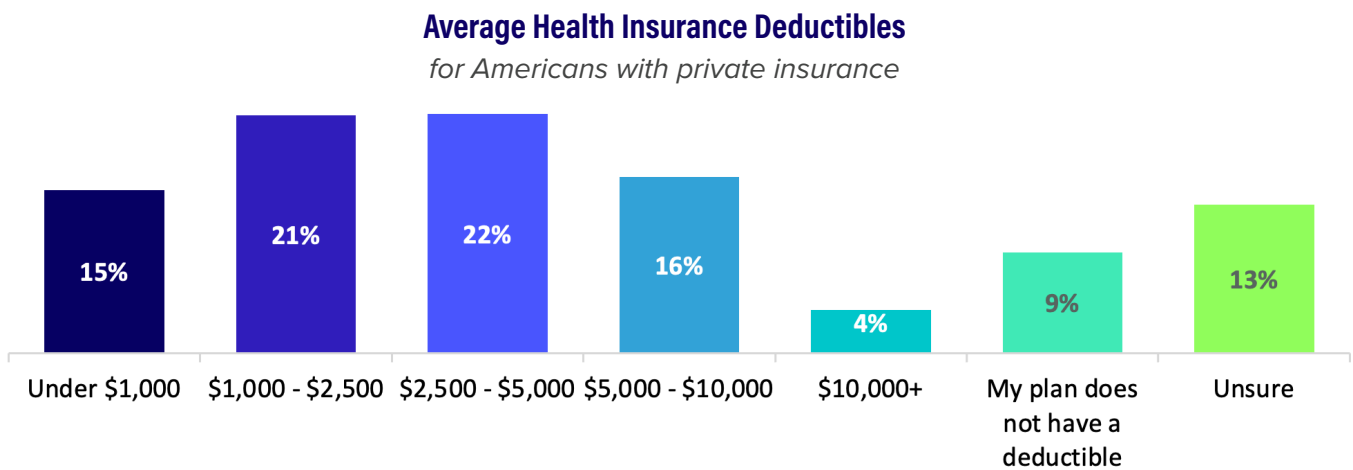
Basic MEC Plans often exclude higher cost prescription drugs, specifically specialty products, hospital and urgent care, some specialists and/or surgery. **This gap in coverage can leave employees vulnerable to high medical bills for services not included in the plan.**



Medical Debt as a Result of these Models

The limited scope of MEC plans, coupled with the complexities of healthcare jargon and insurance policies, can overwhelm employees, making it challenging for them to fully understand and utilize their benefits. Additionally, the illusion of coverage can exacerbate medical debt, as individuals who believe they are insured may not scrutinize the fine print, only to find that their plan provides inadequate protection when they need it most.

Like those enrolled in a MEC plan, the 55% of Americans with HDHPs are increasingly vulnerable to financial devastation in the form of medical debt. According to a recent Goodroot survey, 42% of people with employer-sponsored coverage must meet an out-of-pocket deductible of at least \$2,500 before insurance even kicks in. This doesn't include monthly out of pocket premium costs.



HDHPs offer the advantage of lower premiums, and cost savings for groups, the trade-off comes in the form of higher risk and potential financial strain for employees, particularly in the face of significant medical events or chronic health conditions. Research suggests that 63% are unable to cover a \$500 emergency expense.² Health Savings Accounts (HSAs) present a tax-advantaged solution designed to complement HDHPs, but they require employee contributions to be effective. If employees are already facing financial challenges, consistently funding an HSA may not be feasible, potentially leaving them vulnerable to the very costs these plans are meant to mitigate.

If you're offering HDHPs to your employees as a cost-effective insurance option, it's crucial to understand the potential financial impact on them, especially if there isn't a funded HSA to offset their out-of-pocket expenses.

Employee Journey

Joe's Story

About Joe

Age: 25

Career: Barista

Health Insurance:
HDHP

Joe's Financial Situation

Annual Salary: \$30,000

Healthcare Plan Deductible:
\$5,000

Estimated Take Home
Pay After Taxes: \$24,000
(Assuming 20% effective
tax rate)

A \$5K hospital visit will take away 20.8% of Joe's annual take-home pay. A clearly unaffordable burden for Joe.

Consider Joe, a 25-year-old barista with a passion for coffee and a knack for customer service. Joe lives a relatively modest life on his annual salary of \$30,000. After taxes, his take-home pay amounts to about \$24,000, which he manages carefully to cover his living expenses, student loan payments, and the occasional treat for himself.

Joe's health insurance is a High Deductible Health Plan (HDHP), chosen primarily for its lower monthly premiums. The trade-off, however, is a \$5,000 deductible, a sum that Joe has always viewed as a distant concern rather than an imminent reality.

One weekend, while out hiking with friends, Joe missteps and takes a hard fall, resulting in severe abdominal pain. Concerned, his friends rush him to the nearest hospital. After a series of tests and scans, it turns out that Joe has a ruptured appendix that requires immediate surgery.

The surgery is successful, but Joe is soon hit with a staggering hospital bill: \$5,000, exactly his

remaining deductible. This expense is far beyond what Joe can afford. The financial strain—and numerous calls to his insurance company begins to take a toll on him.

At work, he becomes distracted, his usual cheerful interactions with customers are replaced with a distant, preoccupied demeanor. He finds himself constantly worrying about the debt, how it will impact his credit score, and the looming possibility of collections agencies getting involved.

Feeling cornered and desperate, Joe considers leaving his job as a barista to find higher-paying work. He's reluctant to leave a job he loves and the community he's built at the coffee shop, but the burden of this unexpected debt weighs heavily on him.

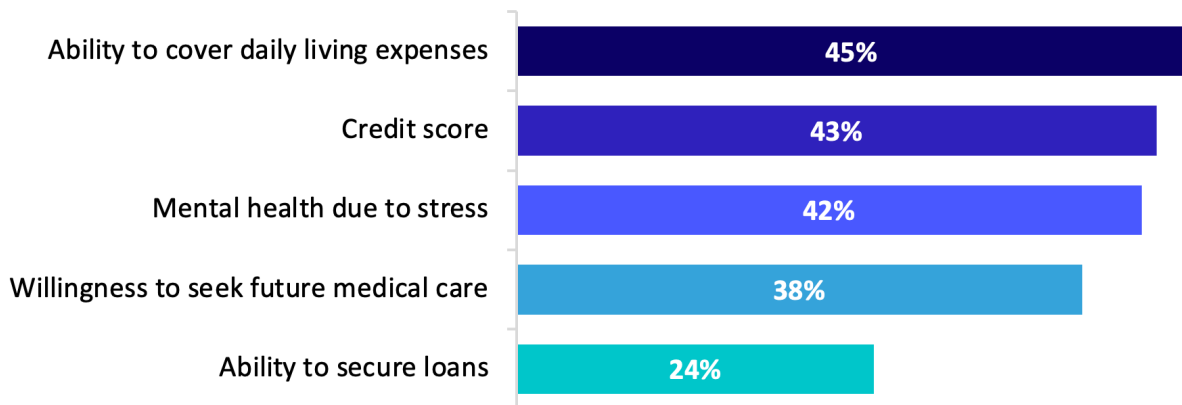


The Current System isn't Working for Anyone

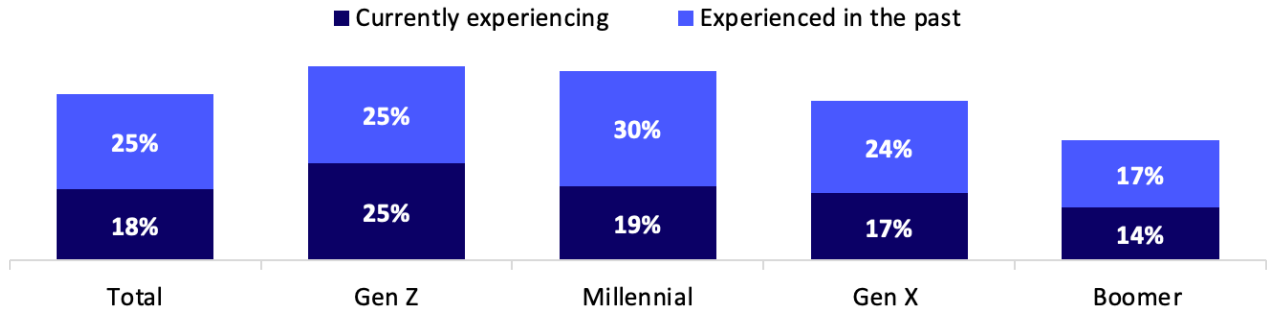
Employers are spending millions to provide quality healthcare benefits. And yet, employees are still struggling with medical debt.

In a recent Goodroot survey of 2,000 people, 45% of people with private insurance said that medical debt has impacted their ability to cover daily living expenses.

Medical debt has impacted...



Even With Commercial Insurance, Employees Have Medical Debt by generation



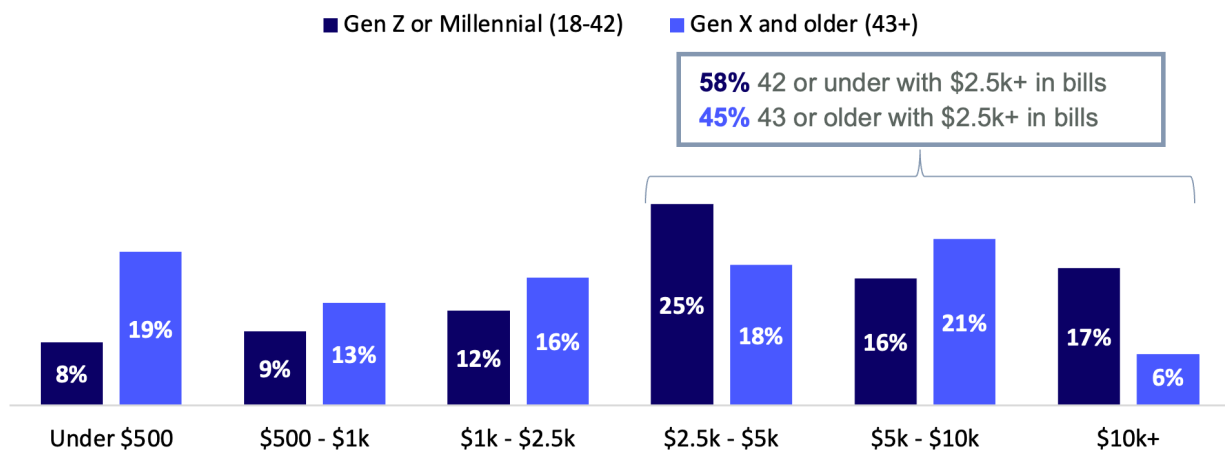
The chart above details the generational impact of medical bills on incurring debt. It reveals that across all generations, 43% have either previously experienced or are currently experiencing medical debt.

Breaking it down:

- Gen Z: 50% have either been in the past or are currently in medical debt
- Millennial: 49% have faced or currently face debt due to medical bills
- Gen X: 41% have encountered medical debt at some point
- Boomer: 31% have experienced medical-related debt

These figures underscore the pervasive issue of medical debt across generations, with Millennials and Gen Z being the most affected.

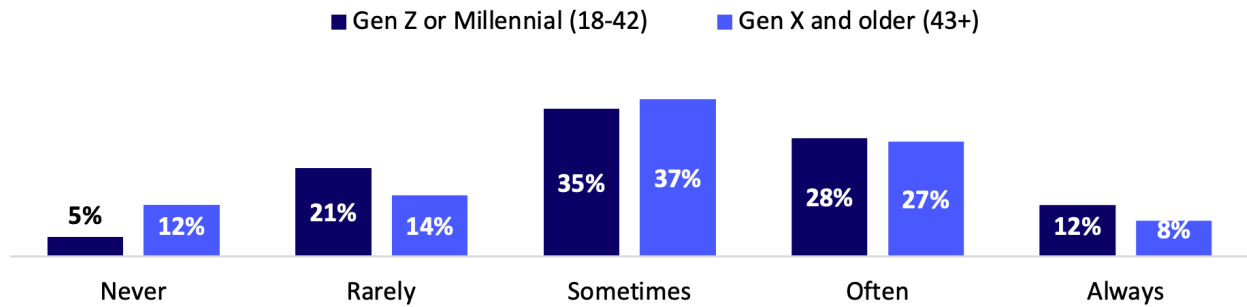
Amount of Medical Debt Owed by generation



The chart above presents a comparison of the estimated medical bill debts owed by two different generational cohorts: Gen Z or Millennials (ages 18-42) and Gen X or older (ages 43+). It's evident that a larger percentage of the younger group (58%) has medical bills of \$2.5k or more compared to 45% of the older group.

Employees Are Avoiding Care Due to Cost

by generation



Generation is not a factor in this particular stat. Regardless of age, a significant portion of employees, 73-74%, skip medical care at least sometimes to avoid costs.

This trend of cost-avoidance behavior in seeking medical care can directly impact workplace productivity and employee wellness. This behavior 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. With 12% of the younger group and 8% of the older group always avoiding medical care altogether due to costs, employers must recognize the potential long-term effects on their workforce's health and, consequently, on their operations. The data underscores the importance of providing comprehensive and cost-effective health benefits to ensure all employees can access the care they need without financial hesitation.

Many of your employees are one accident or illness away from financial devastation.

Preventable Drivers of High-Cost Medical Claims

In the following sections, we explore the top drivers of preventable high-cost claims and escalating employee medical debt, offering insight into how strategic integration of healthcare navigation and hospital financial assistance can not only alleviate the financial burden on employees but also significantly reduce expenses for self-funded employers.

High-Cost Healthcare Problem 1: Hospital Care

According to the Kaiser Family Foundation, over 80% of adults with medical debt, including those with health insurance, attribute their financial burden to emergency care or hospitalization.

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.

Hospital care is inherently costly due to several factors

While some hospital visits are necessary, particularly in emergencies or for complex medical conditions, a significant number of hospital admissions could be managed through lower levels of care. Hospital stays and treatments, known for their high costs, are often utilized for issues that could be addressed more affordably and conveniently by primary care physicians, virtual care or free-standing facilities and sites of care. Despite the availability of lower, more affordable care options, many people still turn to hospitals for their healthcare needs.

- Complex resources and staffing
- 24/7 availability
- Comprehensive services
- Facility overheads

High-Cost Healthcare Problem 2: Confusion About Coverage

"Is this covered?" is a question that HR leaders across the U.S. frequently encounter, especially during periods of health plan transitions due to company renewal cycles. The inherent complexity in understanding coverage – from navigating through confusing terminology and lengthy 30-page Explanation of Benefits (EOB) documents to deciphering the nuances of co-insurance, networks, and coverage limitations – only compounds this challenge. Employees, without clear guidance, may wrongly assume certain treatments or services are covered under their plan. This misunderstanding results in substantial bills for treatments or visits to doctors they believed were in-network.

Moreover, when a trusted specialist moves out of network, employees may find themselves searching for a new provider or negotiating the terms of continued care under the new plan. These challenges are further intensified by the confusion surrounding insurance jargon and policy details, making it difficult for employees to make informed decisions about their healthcare. In addition to increased healthcare costs for employees, this can result in escalated expenses for employers, particularly those with self-funded insurance plans.

High-Cost Healthcare Problem 3: Billing Errors

The current system for medical billing is riddled with errors that drive up patient healthcare costs significantly – in fact, according to Becker's Hospital Review, an astounding 80% of all medical bills have inaccuracies.

Most billing errors are the result of human error—incorrect or accidentally omitted codes. And those mistakes can be costly. In the scenario of a routine physical examination, if a provider identifies conditions like hypertension or hypercholesterolemia but doesn't code the visit as a routine physical, it can inadvertently shift the financial responsibility to your employee, as opposed to being covered under preventive care benefits.

The Impact of Billing Errors on Employees & Employers



Employee Impact: Medical billing mistakes push patients into a tedious cycle of verifying benefits, wasting time calling insurance companies and providers. More often than not, the employee ends up just paying the bill because "it's easier."



Employer Impact: Unchecked billing errors inflate claim costs, straining healthcare budgets, particularly for self-funded employers. But it's not just about finances. The stress and time lost by employees resolving billing issues significantly affects workplace focus and productivity for all employers.

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 must offer “community benefits,” including free or discounted care to patients unable to pay.

Who Qualifies?

Each hospital or health system has their own financial assistance policy, and each policy has its own eligibility criteria and application form. Typically, hospitals consider total household income, family size and sometimes available household assets when determining eligibility for their financial assistance program.

Most hospitals offer significant discounts to patients, including those with commercial insurance, up to 400% of the Federal Poverty Level and many urban hospitals up to 600%. For a family of 4 this equates to household incomes of \$120,000 and \$180,000, respectively.

Here's Who Would Likely Qualify in Connecticut:



Household of 1
with an income of
\$82,830



Household of 2
with an income of
\$112,420



Household of 3
with an income of
\$142,010



Household of 4
with an income of
\$171,600



What's Covered/What's Not?

Covered for eligible employees:

- Urgent and medically necessary care

Not covered under hospital financial assistance:

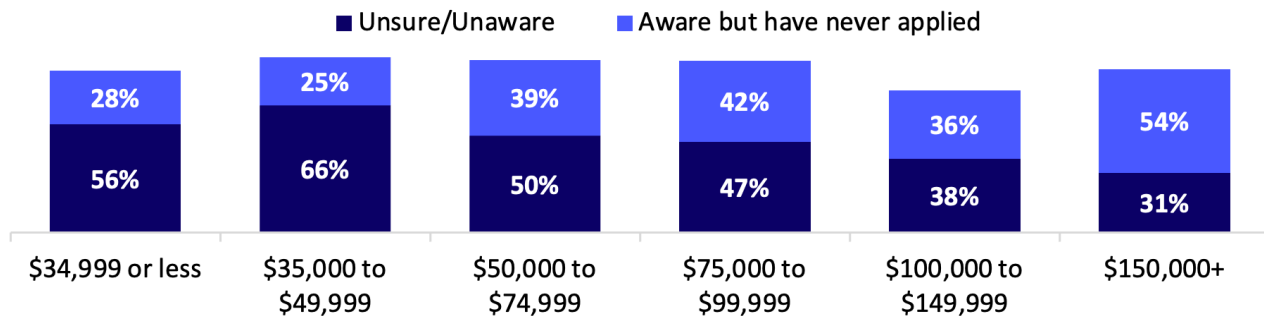
- Services that are not medically necessary, such as cosmetic procedures or fertility treatments
- Services that aren't provided directly by the hospital (i.e., care from independent physicians or certain diagnostic services)

While 60% of people—including those with commercial insurance—are likely eligible for hospital financial assistance, our survey results point to a significant gap and lack of awareness about these programs.

The chart below depicts a significant gap in the awareness and application of hospital financial assistance across various income brackets. **It's striking to note that about 88% of households earning less than \$100,000 per year—incomes that would typically qualify for assistance—are not taking advantage of these programs.**

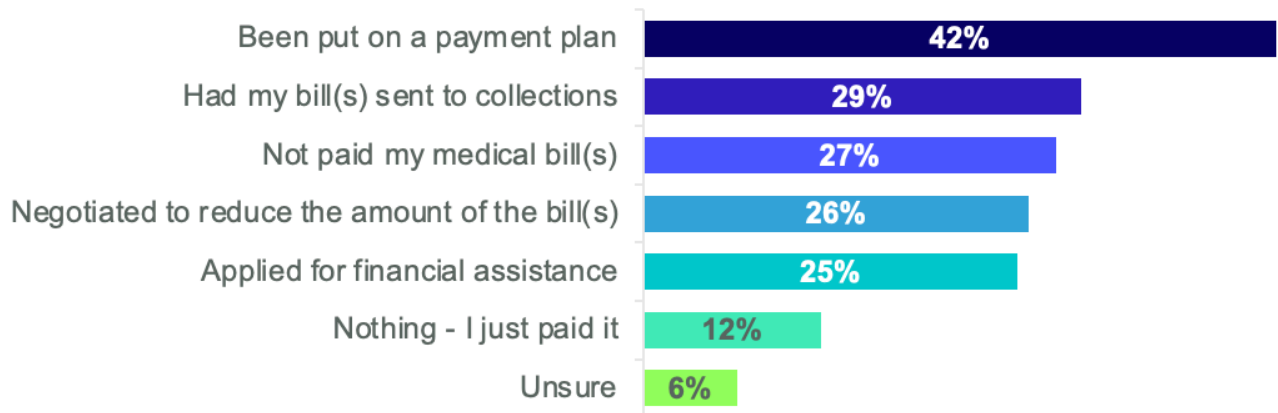
Employees Who Would Likely Qualify for Hospital Financial Assistance Aren't Aware it Exists

by household income of commercially insured adults



Considering that families of four earning up to \$120,000 or \$180,000 per year could qualify for hospital financial assistance, these statistics suggest a critical need for increased awareness and education about these available programs. Employers can play a key role in bridging this information gap by informing their workforce, especially given that many employees fall within these income ranges and could benefit from such assistance to manage healthcare costs effectively.

Actions Taken in Response to High-Cost Medical Bills

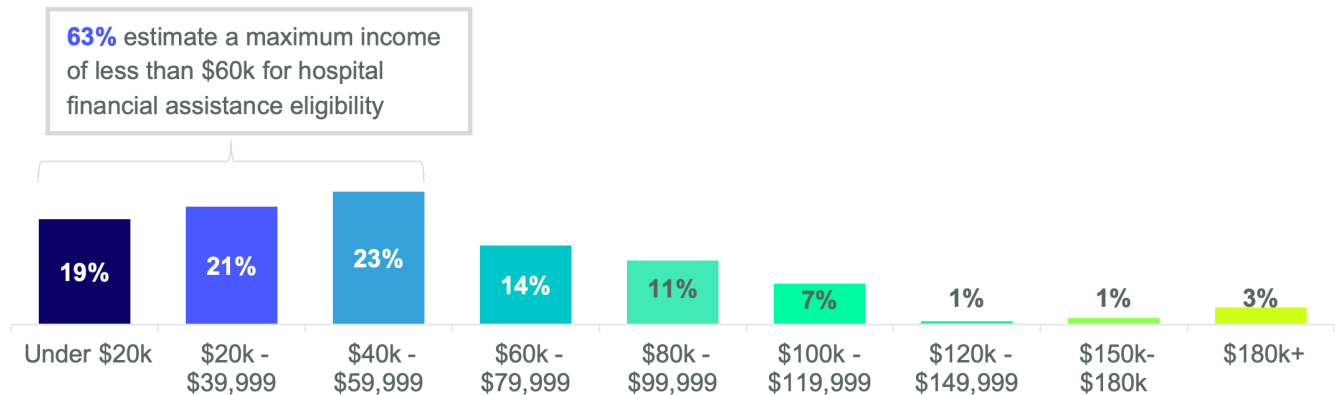


The chart illustrates the various actions taken by individuals in response to high medical bills. It's notable that only a small percentage of people have applied for financial assistance.

Despite relatively low application rates for financial assistance, many of our survey respondents likely would have qualified and potentially could have saved thousands of dollars. This is especially pertinent given the previous chart's data indicating a substantial lack of awareness and application for hospital financial assistance programs. This suggests that there is a significant opportunity for more individuals to benefit from financial assistance programs, which could help alleviate the burden of medical bills.



Most Employees Think Hospital Financial Assistance is Only for People Making Less than \$60K/Year



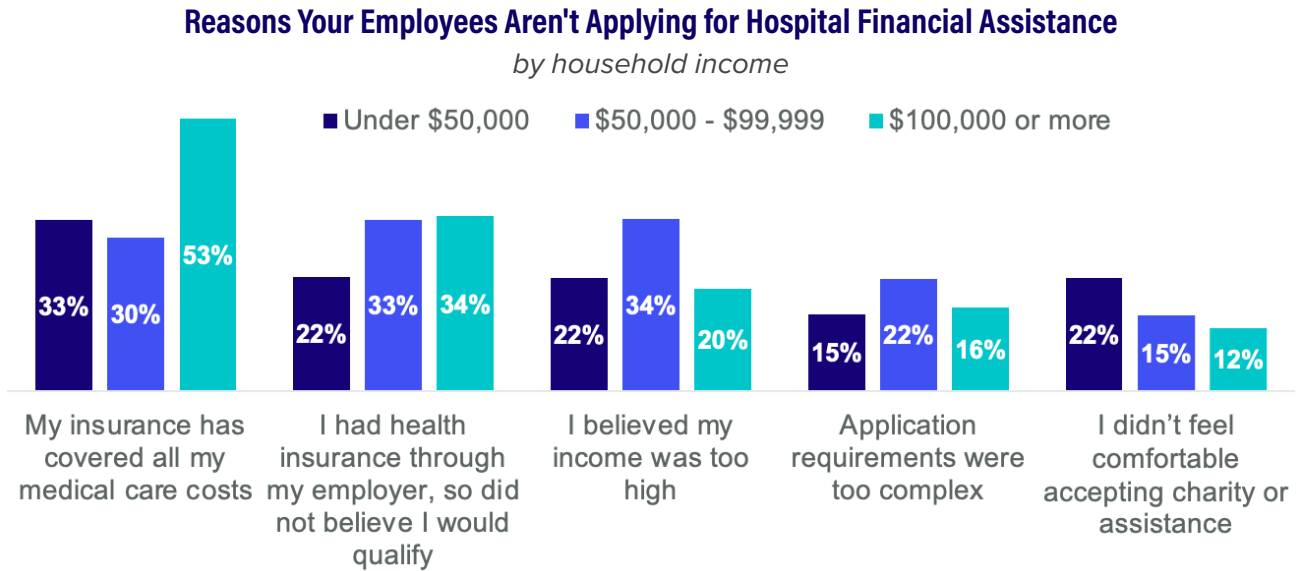
The chart depicts public perception regarding the estimated maximum income range for hospital financial assistance eligibility. A significant 63% of respondents believe that the maximum income threshold for eligibility is less than \$60,000.

However, only a small fraction of respondents estimates higher income brackets as eligible, with 14% for the \$60,000 to \$79,999 range, 11% for \$80,000 to \$99,999, and even fewer, 7%, for \$100,000 to \$119,999. Notably, 1% of respondents estimate eligibility for incomes between \$120,000 to \$149,999, and another 1% for \$150,000 to \$180,000.

This perception is particularly important to address because, as previously discussed, many hospital financial assistance programs offer help to families of four making up to \$120,000 (and in some states up to \$180,000) per year, which is a stark contrast to public perception. This misalignment suggests a widespread underestimation of the eligibility threshold for hospital financial assistance, which could prevent many qualified individuals from applying. There's a clear need for increased awareness and education about the true income ranges that hospital financial assistance programs cover, which could encourage more eligible individuals and families to seek much-needed support.

Why Aren't Your Employees Applying for Hospital Financial Assistance?

The chart below highlights the reasons individuals across different income brackets have not applied for hospital financial assistance. While a notable portion reported that their insurance met all hospital costs, a significant segment remains who have not applied, largely due to misconceptions about eligibility and the benefits of such programs.



Education & Awareness

- 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.
- 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.

The lack of awareness and education around hospital financial assistance is a significant barrier, as households earning significantly more qualify for some level of assistance. Having insurance does not mean one is adequately covered or ineligible for financial assistance. Many in these income brackets may fall into the category of 'underinsured', where the coverage is insufficient to meet all medical expenses, especially in cases of high deductibles or co-pays. It's important to understand that hospital financial assistance programs are designed to bridge this gap, offering vital support even to those with insurance coverage.

Complex Application Process

Among those with incomes between \$50,000 and \$99,999, 22% of this group found application requirements too complex, which indicates a need for simplified access to financial assistance programs.

Stigma Around Accepting “Charity Care”

16% of those earning under \$100,000 didn’t apply for hospital financial assistance because they felt uncomfortable accepting charity or assistance, highlighting a stigma or a personal principle at play.

Overall, the chart underscores the need for more targeted education about hospital financial assistance programs and potentially a reevaluation of how they are presented and communicated to the public.

Recognizing the need for greater awareness and understanding of hospital financial assistance programs is just the first step. Next, we explore actionable strategies employers can implement. We will explore how healthcare navigators and innovative navigation technology can streamline the process for employees to apply for hospital financial assistance, effectively dismantling the misconceptions and barriers that stand in the way. This proactive approach not only reduces expenses for self-funded employers but also ensures affordable healthcare access for all employees, regardless of the type of health plan you offer.

Supercharging Employer-Sponsored Health Plans with Healthcare Navigation

If employers want to lower healthcare costs—and protect their people—it needs to happen in real time. Healthcare navigation can help. Healthcare navigators enhance your existing benefit plan by empowering employees to make smart, cost-saving healthcare decisions, when they’re actively seeking care.

People don’t think about their health benefits until they need to use them.

Now, let’s dive into those top three drivers of high-cost healthcare—hospital care, benefit confusion and billing errors—and how healthcare navigation companies can play a pivotal role in mitigating these costs.



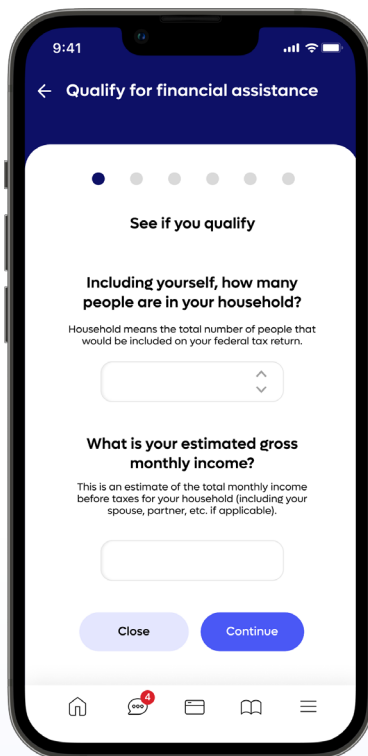
In 2023, 91% of our healthcare navigation interactions resulted in healthcare savings and increased employee satisfaction with their benefits.



Connecting Eligible Employees to Hospital Financial Assistance

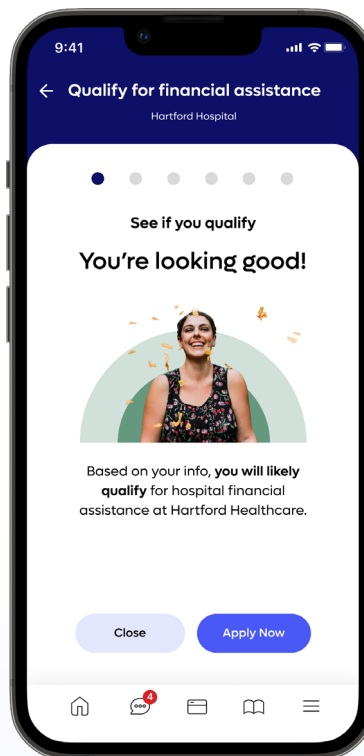
Directing employees to hospital websites with hard-to-find applications is not enough. Some healthcare navigation companies leverage technology that streamlines the financial assistance application process to a remarkable degree, reducing the time commitment for employees to just 4-8 minutes from eligibility check to submission. Employees can easily apply from their phone, iPad or computer.

Here's how our financial assistance software works:



1 Simple Start

Employees begin by providing just two key details: their income level and the number of family members.



2 Effortless Application

For those who qualify and choose to apply, the next step is a straightforward upload of their previous year's W2, tax return, recent pay stubs and the last two months of bank statements.



3 Navigator Support

At any point, if your employees need assistance or have questions, a healthcare navigator is on standby to offer immediate, personalized support.

This efficient approach not only saves time for your employees but also ensures those eligible can easily access the financial assistance benefits they're entitled to.

Case Study

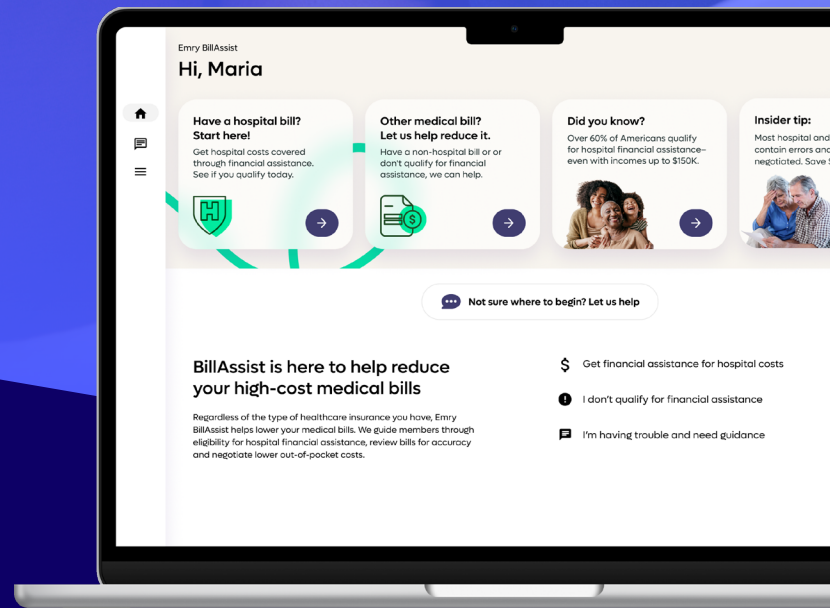
Hospital Financial Assistance: Employee Cost Avoidance

The Issue

After a hospital stay, an employee received an unaffordable bill for \$77,000. They faced substantial medical debt.

How We Helped

Based on the federal poverty guidelines, the employee qualified for hospital financial assistance. Emry directed the member to their financial assistance technology to submit an application. The hospital subsequently approved and covered 100% of the member's \$77,000 bill through financial assistance.



Total Employee Savings

\$77,000

Emry's financial assistance technology helped the member access free hospital care by making the qualification and application process for financial aid simple.

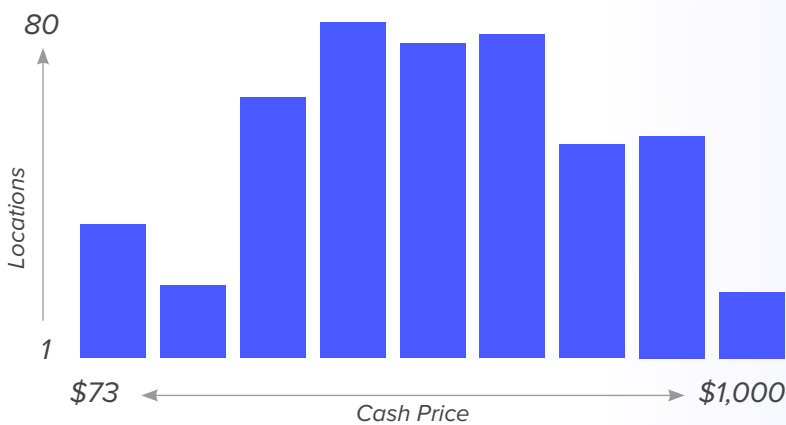
Solving Confusion About Costs & Coverage

Healthcare navigators play a crucial role in helping employees understand their healthcare coverage. They can:

- Explain the nuances of benefits plans, ensuring employees are fully informed about coverage
- Confirm whether a specific provider is in-network
- Keep employees updated on formulary changes that affect prescription coverage

Cost Variance of Healthcare Services

Arm MRI in Connecticut



The cost for an arm MRI can range between \$73 and \$1,000 in the same state **for the same imaging service!**

Sources: Sidecar Health, MD Save

Beyond just clarifying coverage details, navigators guide employees away from high-cost medical facilities, steering them towards more affordable yet quality care options within their area. They understand that medical costs, such as for a CT-scan, can vary greatly between locations. Often, employees may follow a doctor's referral without realizing the cost implications. Navigators can provide a comparative list of facilities along with associated costs, empowering employees to choose care that is both high in quality and affordable. This approach is instrumental in minimizing out-of-pocket expenses and reducing the overall healthcare spending for both employees and employers.

While it would be ideal for employees to fully comprehend their benefits, the reality is that this kind of understanding takes time and time is a scarce commodity. Navigators fill this gap, ensuring employees are supported and informed without having to delve into the complexities of their health plan details themselves.

Resolving Issues with Billing

Many of your employees' healthcare bills may contain inaccuracies. Healthcare navigation companies specialize in rigorously scrutinizing these bills to ensure accuracy. By acting as intermediaries between insurance companies and healthcare providers, these entities efficiently resolve billing discrepancies. This not only spares your employees from the overwhelming challenge of dealing with complex medical billing issues on their own but also saves them significant time and stress from having to make numerous calls to rectify these errors themselves.

Beyond individual employees, employers stand to benefit as well, as an accurate billing process reduces inflated claim costs and prevents the subsequent workplace disruptions and productivity losses that arise when employees grapple with billing issues during the workday.

Case Study

High-Cost Bill Review: Billing Error

The Issue

An employee fractured their ankle and needed surgery. Weeks later they received an unexpected hospital bill for \$88,000 and faced substantial medical debt

How We Helped

Emry found a billing discrepancy and traced it back to a missing Accident Claim form, which was not provided to the patient during their hospital stay. Through persistent, thorough communication with both the hospital and the insurance company, Emry ensured the patient's bill was re-processed accurately and appropriately.

In a matter of days, the employee received a corrected invoice for \$794.

Total Out-of-Pocket Savings

\$87,206

Bill Negotiation

For employees who don't qualify for hospital financial assistance, healthcare navigators can assist with bill negotiation.

The majority of hospital and physician bills can be negotiated and can reduce employee out-of-pocket costs by 20% or more on average.



Some healthcare navigation companies provide a valuable service of bill negotiation. These specialized navigators possess a unique blend of skills and knowledge, enabling them to effectively negotiate medical bills on an employee's behalf. This process begins with a thorough review of the bill, assessing not only the clinical necessity of the services provided but also checking for any coding errors or instances of unfair pricing. Often, these professionals can identify charges on a patient's bill that are inaccurate or unjustified – expenses that should not have occurred in the first place.

Armed with this information, healthcare navigators then engage directly with providers, questioning the accuracy of these charges. They often find that errors, sometimes as simple as an administrative oversight, can lead to inflated bills. In such cases, they draft and submit detailed letters to the providers, advocating on behalf of the patient and proposing adjusted, fairer charges.

The success rate of these negotiations is noteworthy, with providers frequently accepting the revised, lower amounts proposed by the navigators. This results in significant savings for the patient. However, this process is not without its challenges. It often requires persistence and continuous follow-up, with navigators sometimes contacting hospitals daily to ensure the resolution of the billing issue. This dedication and tenacity are crucial in successfully reducing patients' financial burdens and exemplify the invaluable role of healthcare navigators in the medical billing process.

Benefits to Your Business

HR Support & Strategy

A thoughtfully designed healthcare package is a significant milestone for your HR leaders. Yet, the real test comes after rollout. The introduction of new health benefits can send a ripple of confusion through an organization, even when the new plans reflect the needs of those who will use them. Employees, faced with a maze of new information and complex healthcare terms, often look to HR for guidance. Post-enrollment queries can swamp HR teams, turning what should be a triumph into an ongoing challenge.

Healthcare navigators can help curb disruption

The role of HR in easing employees through the transition of new health benefits cannot be overstated. Done right, it reinforces the company's reputation as a caring employer and can be a deciding factor in retaining a happy, engaged workforce. But in the complicated realm of health insurance, HR departments—particularly in smaller companies—can find themselves swamped by the sheer volume of details, decisions and employee issues and questions regarding their benefits.

Enlisting external expertise is not just helpful, it's strategic



A healthcare benefit navigator can streamline this complexity, serving as a dedicated intermediary between employees and their insurance plans. These navigators are adept at clarifying benefits, assisting with paperwork and decoding industry jargon, allowing for more transparent communication. Outside navigators also reduce the risk of HIPAA violations that result when internal HR employees become aware of the private health information of fellow employees. By absorbing the brunt of inquiries, navigators alleviate the pressure on HR departments, enabling team members to redirect their focus to other critical responsibilities.

Employee Benefits

Ten ways healthcare navigators support your employees:

- 1 Clarify the intricacies of their insurance plans for better understanding
- 2 Connect them with leading in-network healthcare providers
- 3 Ensure the accuracy of healthcare bills through meticulous review
- 4 Facilitate timely access to appropriate and cost-effective care
- 5 Identify opportunities for savings on prescription medications
- 6 Simplify and expedite the prior authorization process
- 7 Optimize Health Savings Account (HSA) contributions
- 8 Access hospital financial assistance programs effectively
- 9 Skillfully negotiate healthcare bills on their behalf
- 10 Reduce time and alleviate stress in managing healthcare needs

Incorporating healthcare navigation isn't just a helpful benefit – it's a strategic asset for HR leaders. A well-supported workforce is the cornerstone of a robust HR strategy. A 2022 MetLife study underscores this, revealing employees who are satisfied with their benefits packages are:

- 2x more likely to report being satisfied with their jobs
- 70% more likely to remain loyal to their current employer

“Implementing healthcare navigation has significantly streamlined our HR operations, reducing benefit inquiries by at least 60%.”

– Sheri Yuschak, VP Controller



Benefit to Self-Funded Employers:

When employees save on healthcare, so does the self-funded employer. Healthcare navigation companies eliminate medical spending waste for self-funded employers by helping employees optimize their benefit choices—asking the right questions and proactively guiding them toward quality and affordable care before they seek treatment.

Benefit to All Employers:

Beyond fostering employee satisfaction and bolstering recruitment and retention efforts, the adage 'time is money' holds true. Healthcare navigators significantly reduce the hours employees would otherwise spend resolving healthcare-related complications. In fact, it's estimated that for every hour an employee might spend on healthcare—healthcare navigators save them three, improving productivity and removing healthcare-related distractions at work.

Emry typically yields ROIs in excess of 200% and reduces employer costs an average of 30% per case.



“Healthcare coverage goes beyond handing over insurance cards. Emry was like having a personal assistant guiding us.”



“Emry’s proactive approach means no billing surprises when I go for care.”



“Working with Emry was SO easy. Issue found and resolved in no time, without a single call to insurance or provider.”



“With Emry’s guidance, contacting before care saved me around \$1,200 compared to the initial referral.”

Hear From Employees:
**How Healthcare Navigation Unlocks
a New Level of Employee Satisfaction**



Integrating These Solutions into Your Benefit

Increase Education and Reduce the Stigma of these Programs

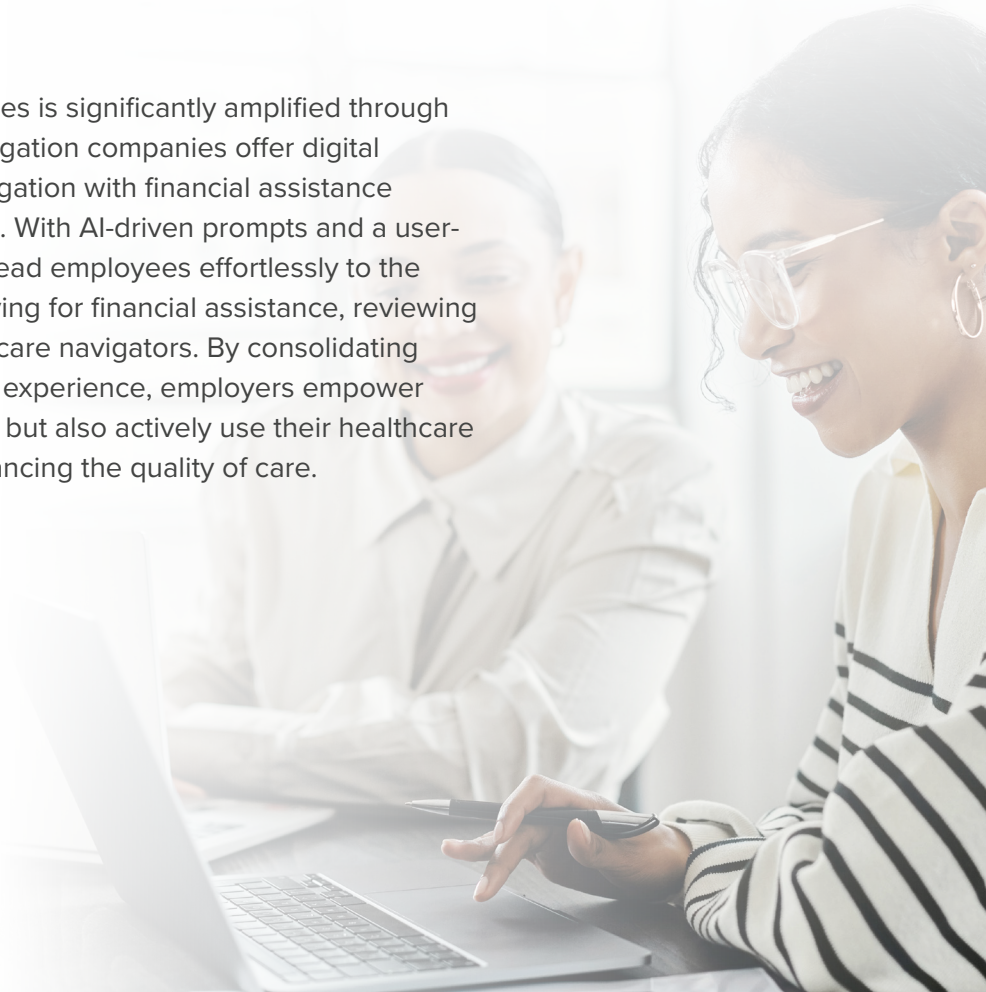
Employers, particularly those self-funding their health plans, need to gain a deeper understanding of hospital financial assistance programs. We've dispelled the myths and addressed the stigmas surrounding these valuable resources. If your employees are eligible and not utilizing these programs, your organization may be covering unnecessary claims. It's insufficient to direct employees to seek out assistance on their own. The approach must be proactive and seamlessly woven into your benefits structure.

Provide your People with Personalized Care Guidance

Consider partnering with a healthcare navigation company. Seasoned navigators guide employees through the maze of healthcare options, bill scrutiny, and the intricacies of financial assistance programs. This professional assistance is pivotal in ensuring employees are making the most informed—and cost-effective—healthcare decisions, regardless of the plans you offer.

Streamline the Digital Experience

The efficiency of providing these services is significantly amplified through technological solutions. Innovative navigation companies offer digital platforms that combine healthcare navigation with financial assistance into a single, easy-to-navigate interface. With AI-driven prompts and a user-friendly interface, these platforms can lead employees effortlessly to the resources they need, whether it's applying for financial assistance, reviewing medical bills, or connecting with healthcare navigators. By consolidating these tools into one streamlined digital experience, employers empower their workforce to not just comprehend but also actively use their healthcare benefits, driving down costs while enhancing the quality of care.



Final Thoughts

The insights from our recent survey highlight a crucial area of focus for employers, particularly CEOs, CFOs, and HR leaders. It's clear that many employees are unaware of the hospital financial assistance available to them, a gap that employers are uniquely positioned to bridge. This presents a call to action: it's time for employers to take the lead in protecting their workforce from the burdens of high healthcare costs and unforeseen medical emergencies.

By leveraging the combined power of hospital financial assistance, healthcare navigation and intuitive technology, employers can deliver affordable and rewarding benefits. The future of employer-sponsored healthcare is a journey towards more informed, proactive, and employee-centered care. Employers who embrace and act on these insights will be better positioned to navigate the complexities of the healthcare system, ensuring their workforce remains healthy, engaged, and financially secure.

Now is the time to adapt, innovate, and prioritize your employees' healthcare needs. The success of your organization and the well-being of your employees depend on these critical steps forward.

Let's reinvent healthcare together!
goodrootinc.com

Sources

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2. <https://www.cnbc.com/2023/08/31/63percent-of-workers-are-unable-to-pay-a-500-emergency-expense-survey.html>

No More Medical Debt

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

