

AN INSIDE LOOK:

The Burden of Medical Debt Is a Struggle for Some

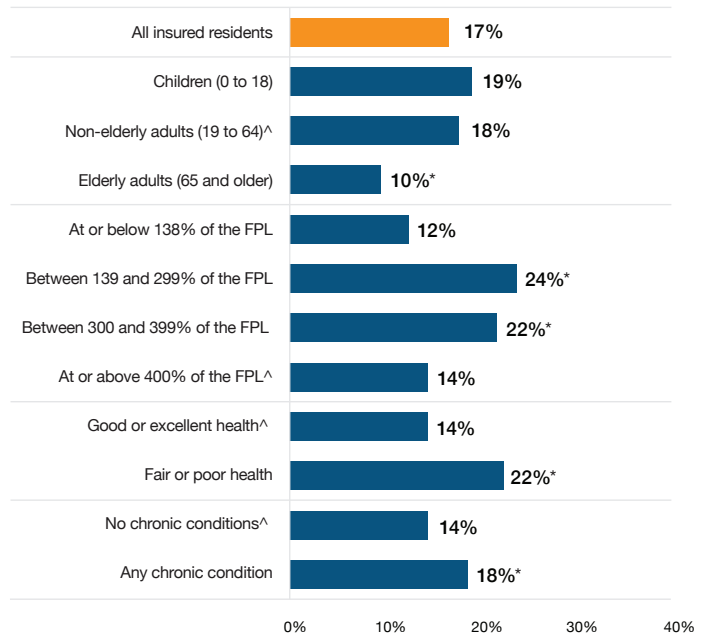
Findings from the Massachusetts Health Insurance Survey (MHIS)

Health insurance coverage is intended to protect families from high health care costs. However, in 2019, almost one in six (17%) Massachusetts residents who were insured all year reported that their family had medical debt, where medical bills are being paid off over time. In 2019, insured residents were more likely to report having family medical debt if they were non-elderly adults, had moderate family income, or were in poorer health. Most of this debt was incurred from paying for deductibles, copays, or coinsurance under their health plans. Insured residents with family medical debt also reported serious financial implications from these medical bills.

Elderly adults were less likely than those in younger age groups to have family medical debt (Figure 1), which may reflect that most elderly adults have stable coverage through Medicare that may provide financial protection from large or frequent medical bills. Those who reported having any chronic condition and those in fair or poor health also had higher rates of family medical debt, which may reflect the complex health care needs of these populations and more interactions with the health care system.

Residents with family incomes between 139 and 399% of the Federal Poverty Level (FPL) were also more likely

Figure 1. Medical Debt among Insured MA Residents and their Families, 2019



[^]Reference group

^{*}Denotes statistical significance at p=0.05

to report family medical debt than those with lower (below 139% of the FPL) or higher (at or above 400% of the FPL) family incomes. This finding may reflect the low cost-sharing structure of MassHealth that can protect low-income families from high out-of-pocket expenses, and greater resources of higher-income families to pay bills on time.

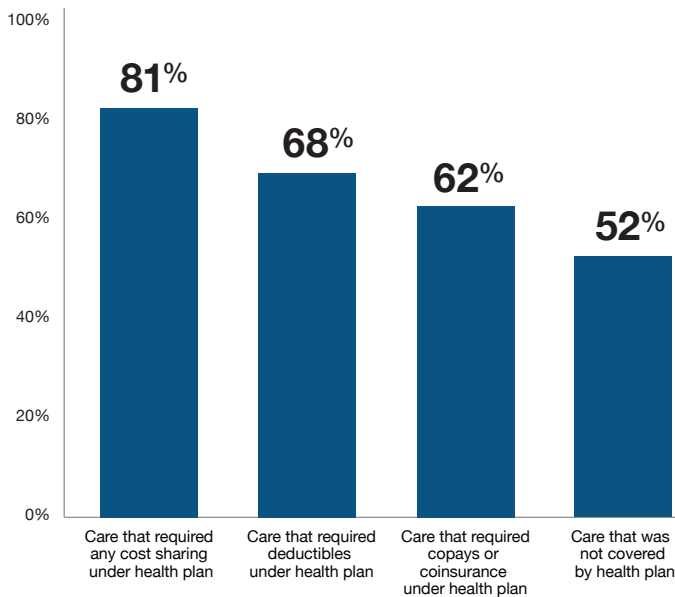
1 in 10

Nearly one in 10 insured residents with family medical debt owed \$8,000 or more.

81% of insured residents with family medical debt attributed the debt to deductibles, copays and/or coinsurance paid under their health plan.

81%

Figure 2. Reasons for Family Medical Debt among Insured MA Residents, 2019



When asked about the reasons for their medical debt, over four in five insured residents with family medical debt reported the debt was for care that required cost-sharing under their health plan (Figure 2). Over two-thirds (68%) of insured residents attributed the debt to deductibles, and 62% reported the debt was from copayments or coinsurance costs. Additionally, over half (52%) said that their family medical debt was for care that was not covered by their health plan.

In 2019, a majority of insured residents (54%) reported that their family medical debt was at least \$2,000, and nearly one in 10 were carrying medical debt of more than \$8,000 (Figure 3). Almost half of insured residents reported paying off their debt for more than a year, and 5% had been paying off that medical debt for more than five years (Figure 4).

Insured residents with family medical debt reported serious financial implications of these medical bills. Residents with family medical debt tried to pay off bills by cutting back on savings or taking money out of savings accounts (68%) and by borrowing money or taking on credit card debt (43%). Additionally, residents with medical debt reported being contacted by a collection agency (43%) or declaring bankruptcy (2%).

Figure 3. Amount of Family Medical Debt among Insured MA Residents, 2019

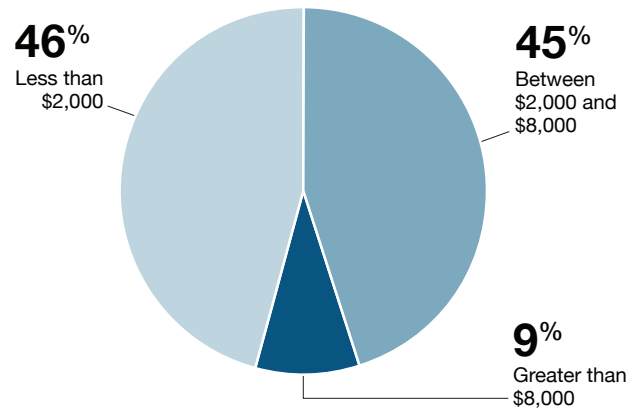
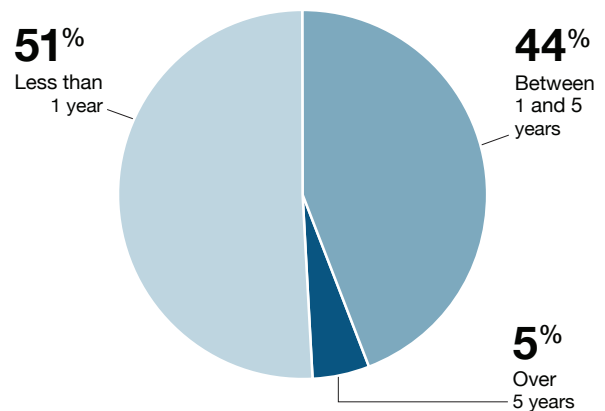


Figure 4. Age of Family Medical Debt among Insured MA Residents, 2019



Over a decade of reform efforts have expanded health insurance coverage and made health care more affordable in Massachusetts, but almost one in six insured Massachusetts residents carried family medical debt in 2019. The high burden and financial implications of medical debt for Massachusetts residents and their families may have lasting impacts in terms of health care outcomes and overall financial stability. It is important to continue to monitor the prevalence and consequences of medical debt and other affordability issues on Massachusetts residents and their families, especially for already vulnerable populations, to inform policy initiatives to improve the affordability of health care.

Read the full report at www.chiamass.gov/massachusetts-health-insurance-survey

About the MHIS

The Massachusetts Health Insurance Survey (MHIS) provides information on health insurance coverage, health care access and use and perceived health care affordability for the non-institutionalized population in Massachusetts. The 2019 MHIS included a random digit dialing and an address-based sample and was fielded between April and July of 2019. Surveys were completed with 4,873 Massachusetts households, collecting data on 4,873 target persons, including 529 children aged 0 to 18, 3,058 non-elderly adults aged 19 to 64, and 1,286 elderly adults aged 65 and older. The overall response rate for the 2019 MHIS was 16.5 percent. A follow-up survey was fielded between December 2019 and January 2020 with 1,133 Massachusetts households, collecting data on 1,133 target persons including 104 children aged 0 to 18, 686 non-elderly adults aged 19 to 64, and 343 elderly adults aged 65 and older. The overall response rate for the 2019 MHIS Re-contact Survey was 5.0 percent, combining the response rate of 16.5 percent for the main MHIS and 30.6 percent for the follow-up survey. All estimates based on the survey are prepared using weights that adjust for the complex survey design, for undercoverage, and for survey nonresponse. Additional information is available in the [MHIS Methodology Report](#).

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