

December 2021

Centivo Healthcare and Financial Sacrifices Survey

2021 Executive Summary



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Overview and key findings

In August of 2021, Centivo surveyed 805 adults 18-64 years of age who had employer-based private health insurance continuously for the past 2 years. The objective was to gain a better understanding of the financial and health-related issues and sacrifices people must make due to unexpected medical expenses.

The three key findings from the research include:

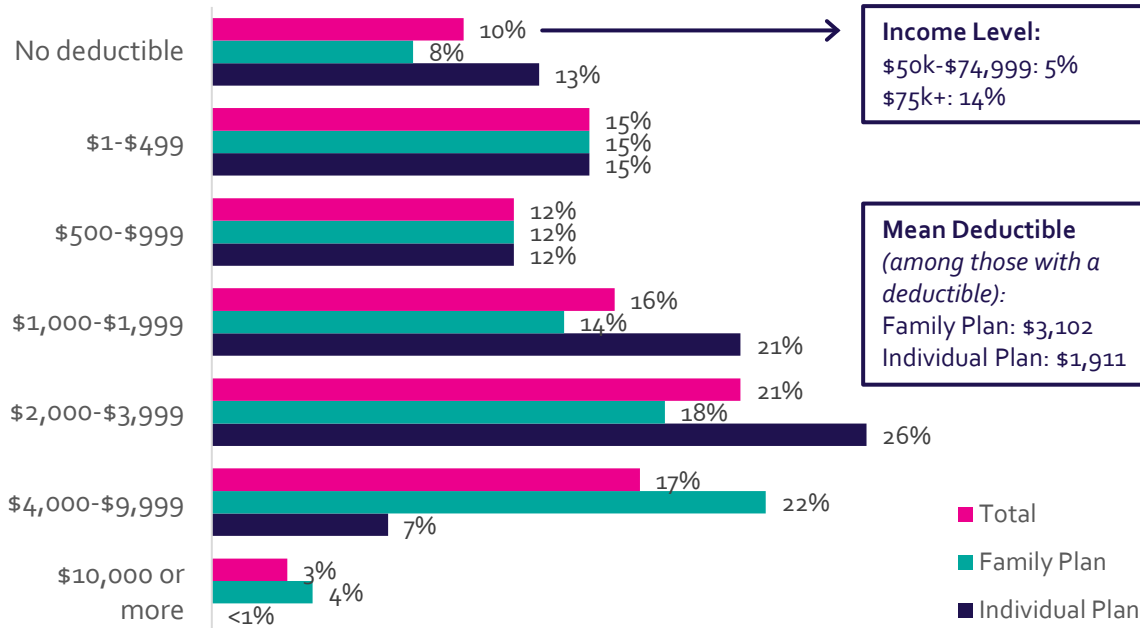
- 1** Workers face mounting healthcare affordability issues, and health plan cost sharing features such as high deductibles are an underlying cause.
- 2** Medical expenses are a significant cause of mental health and well-being issues for both individuals and families.
- 3** The conventional wisdom that health plan members will never 'tradeoff' certain offerings for great savings is simply false.

1

Workers face mounting healthcare affordability issues, and health plan cost sharing features such as high deductibles are an underlying cause.

Majority of respondents have some level of health plan deductible

Deductible amount



- Only one in ten have no deductible as part of their plan.
- Those at the highest income level (\$75k+/year) are significantly more likely to have no deductible than those in the \$50k-\$74,999/year income range (14% vs 5%).

For many, current savings levels do not (or barely) cover their deductible

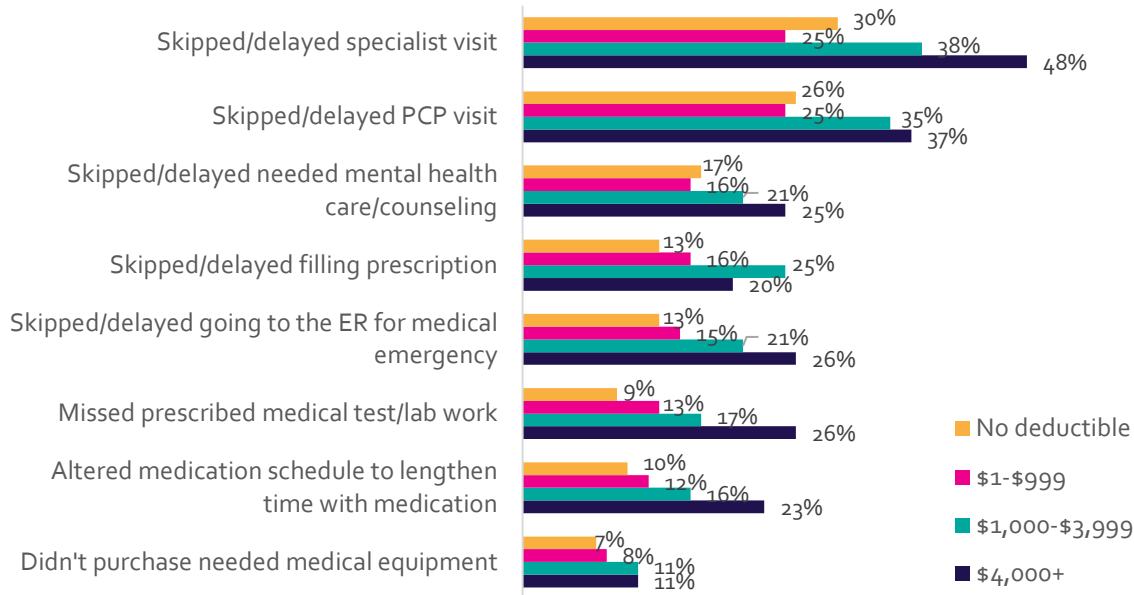
	No Deductible	\$1-\$999	\$1,000-\$3,999	\$4,000+
Savings		Less than \$1,000 savings (NET)=25%	Less than \$4,000 savings (NET)=40%	Less than \$4,000 savings (NET)=43%
No savings	8%	11%	10%	9%
Less than \$500	8%	11%	5%	6%
\$500 to less than \$1,000	6%	3%	8%	11%
\$1,000 to less than \$2,000	5%	12%	8%	6%
\$2,000 to less than \$4,000	10%	11%	9%	11%
\$4,000 to less than \$10,000	13%	9%	14%	12%
\$10,000 or more	32%	30%	35%	37%

- 43% of those at the highest deductible level (\$4k+ deductible) have an emergency fund of less than \$4,000.
- Two in five (40%) of those with deductibles from \$1,000 to less than \$4,000 do not have adequate savings levels to account for a major medical expense.
- Further, one quarter (25%) of those at the lowest deductible level run the risk of not being able to cover a major medical expense with their existing savings.

How much money do you currently have available in savings if you had to pay for a major unexpected expense?

Higher deductible plan participants are more likely to avoid care due to cost concerns

Medical care skipped due to cost concerns

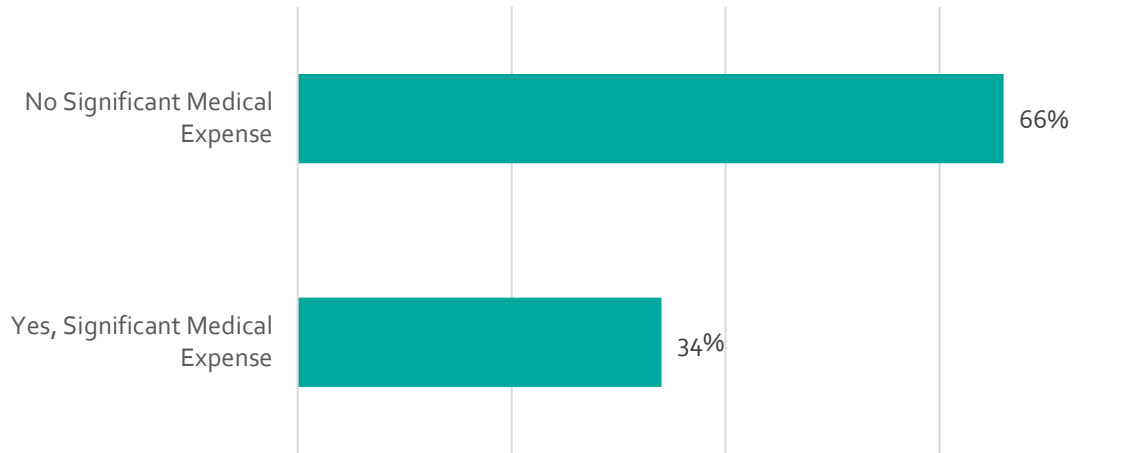


- In nearly all aspects of medical care, those with the highest deductibles have skipped or delayed care due to the affordability concerns at a much higher rate than individuals overall and at lower deductible levels.

Have you ever done any of the following because of your concerns about the cost?

The pervasiveness of significant medical expenses

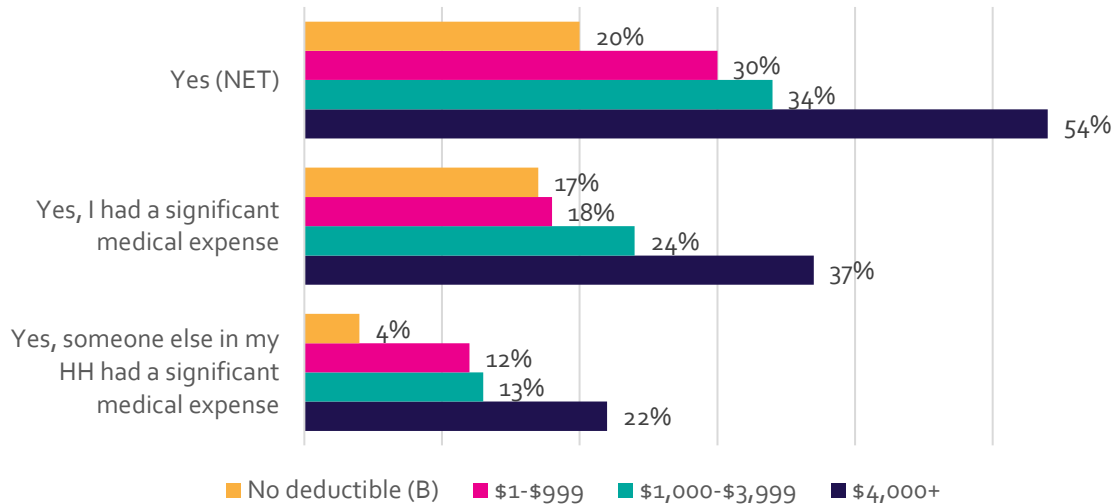
Significant medical expense in the past two years



- One in three insured respondents have incurred significant medical expenses in the last two years

Those at the highest deductible levels were more likely to have significant medical expenses

Significant medical expenses

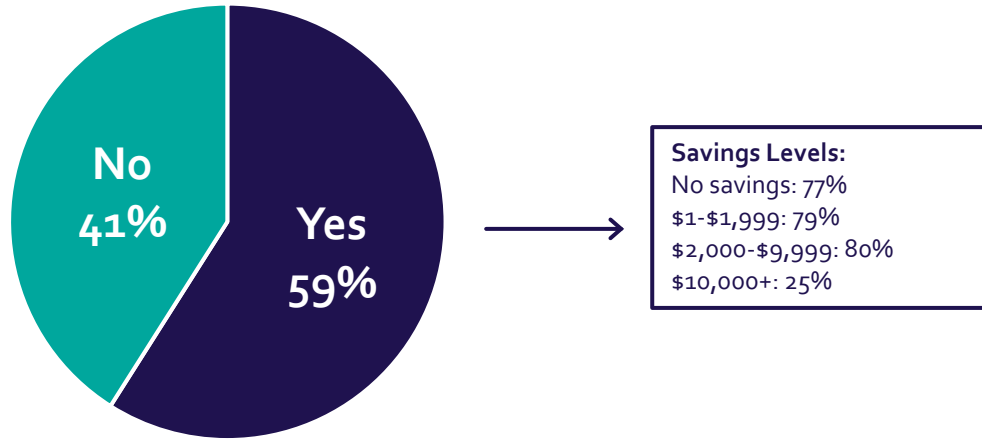


- Plan participants with the highest deductible levels (\$4k+) are significantly more likely to have had a major medical expense than those at the lower deductible levels.

Did (you/you or someone in your household) have a significant medical expense within the past two years (since July 2019)?

Nearly three in five insured respondents with significant medical expenses made financial sacrifices

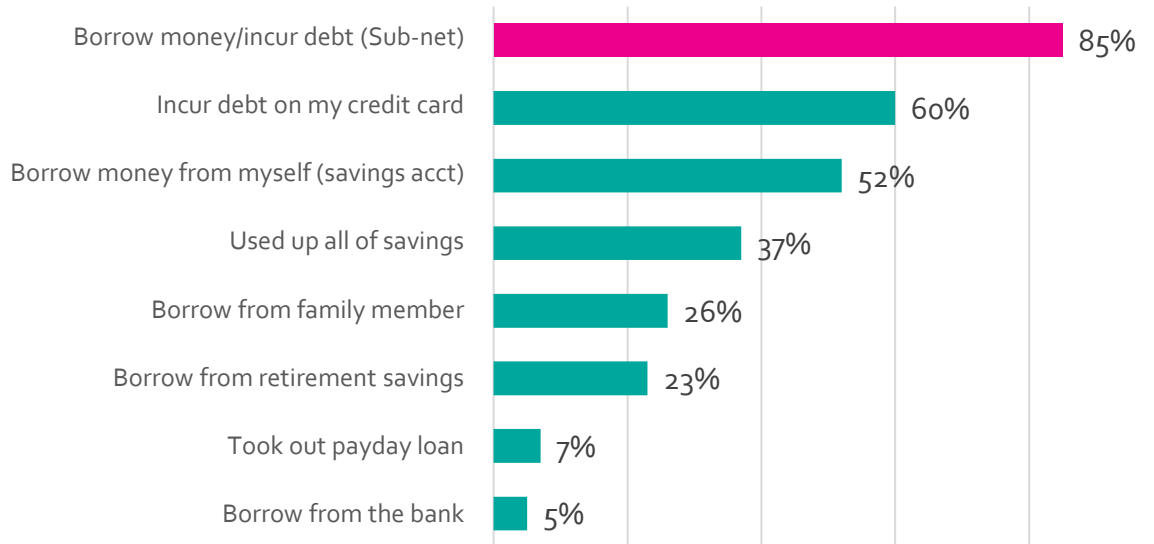
Financial sacrifice due to significant medical expense



- 59% of those with major medical expenses in the past two years were forced to make financial sacrifices as a result of those expenses.
- Only 25% of those with \$10,000+ in savings had to make sacrifices compared to the majority of individuals at all lower savings levels.

Credit card debt and using/depleting savings accounts are top financial impacts

Sacrifices made (% Yes)



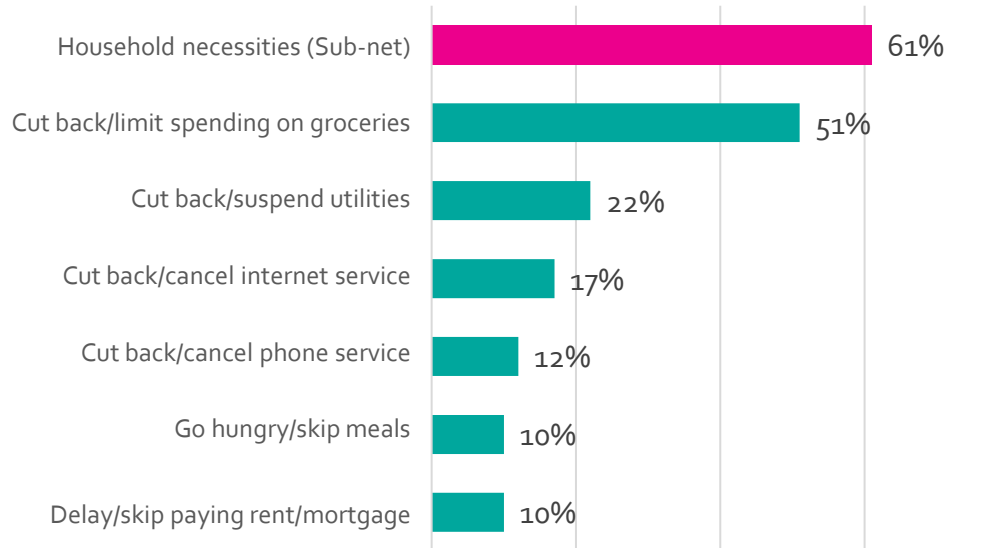
Base: Made Financial Sacrifices (N=149)
Margin of Error on Made Financial Sacrifices (+/-10.7%)

- Six in ten (60%) of those who made a financial sacrifice incurred credit card debt as a result of their medical expenses.
- More than half (52%) used their savings and more than a third (37%) completely depleted their savings.
- Nearly one in four (23%) borrowed from retirement savings.

Did you do any of the following because of the significant medical expense?

Nearly two out of three (61%) cut back on household necessities to pay for significant medical expenses and care

Sacrifices made (% Yes)



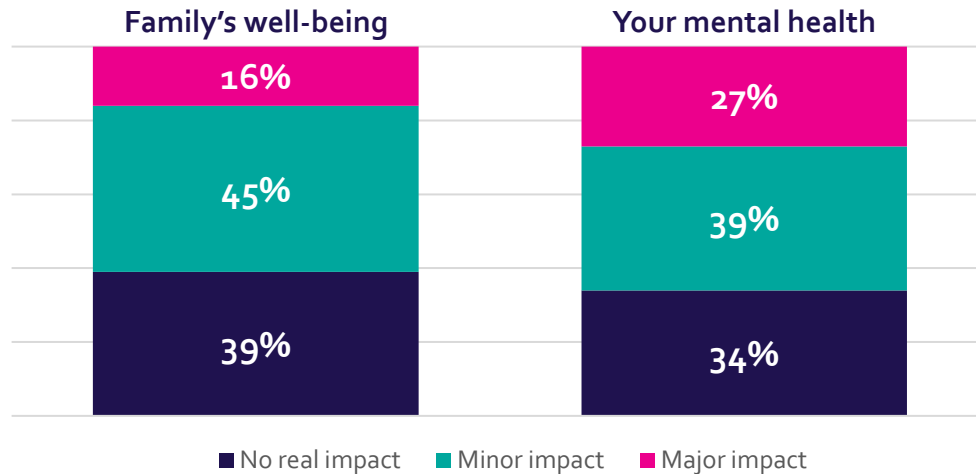
- Food is the top household item individuals cut back on to pay for medical care. Further, one in ten (10%) say they have had to skip meals/go hungry.

2

Medical expenses are a significant cause of mental health and well-being issues for both individuals and families.

For insured respondents who have had a recent significant medical expense, many say it has impacted both their family's well-being and their mental health

Medical expense impact



- More than one quarter (27%) of those who had significant medical expenses said it had a major impact on their mental health.
- 16% said the medical expenses had a major impact on their family's well-being.

Did this significant medical expense have a (major/minor), or no real impact? On your family's well being / Did this significant medical expense have a (major/minor), or no real impact? On your mental health?

In their own words:

"The medical expense ended up being well over \$500 for a CAT scan. I had to pay it all because my deductible was not met. I had to take out a new loan to pay for it, borrow money from family and spend less money on food."

"Delayed dental work and new glasses due to the medical expenses."

"Did not schedule medical appts. for the rest of the year."

"Emotional stress worrying of would we have enough and if our savings would run out."

"Not able to pay medical bills all at once so [I was] reported to collections."

"We are a paycheck to paycheck family. Because of our deductible, everything is out of pocket and hurts our family. We heavily rely on payment plans but even then our savings get drained because we have very little flexible income."

- From these and many other respondent comments, it is clear why significant medical expenses have such a major impact on family well-being and mental health

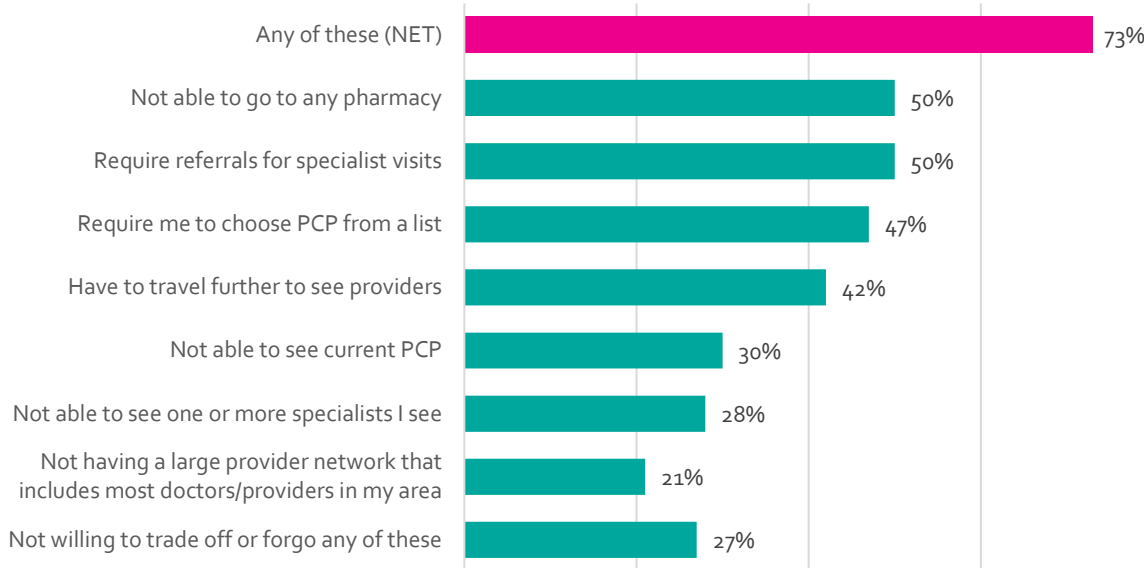
Could you please provide some additional detail as to the sacrifices you made due to this significant medical expense?

3

The conventional wisdom that health plan members will never 'tradeoff' certain offerings for great savings is simply false.

Respondents are willing to sacrifice health plan features if they can realize significant savings

Trade offs for cost reductions (10-30%)



Base: Total Respondents (N=805)
Margin of Error on Total Respondents (+/-4.5%)

- **Seventy-three percent of respondents are willing to trade off or forego features in a plan for a health plan that is 10-30% less expensive than their current plan**

Thinking about your current plan, what features in that plan would you be willing to trade off or forego for a different plan that is 10%/20%/30% less expensive (in total cost, including monthly premiums that are deducted from your paycheck and out-of-pocket costs that you pay at the doctor) than your current plan?

Implications: Three key questions to consider for your health plan strategy

Based on these findings, employers and their advisors need to ask:

1

What can we do to make our health plan something our members can actually afford to use?

2

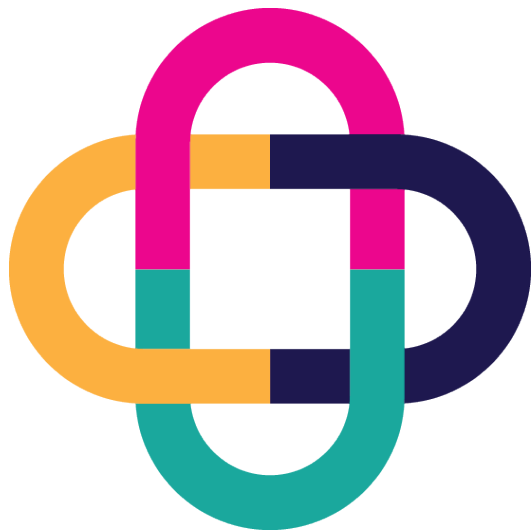
To what extent is the need for mental health point solutions being driven by our health plan itself?

3

Should we revisit the 'conventional wisdom' that employees won't make health plan tradeoffs for meaningful savings?



To learn more about how Centivo can help answer these questions and bring back healthcare affordability to your workforce, please reach out at [centivo.com](https://www.centivo.com).



About Centivo

Centivo is a new type of health plan anchored around leading providers of value-based care. Centivo saves self-funded employers 15 percent or more compared to traditional insurance carriers and is easy to use for employers and employees.

Our mission is to bring affordable, high-quality healthcare to the millions of working Americans who struggle to pay their healthcare bills. With Centivo, employers can offer their employees affordable and predictable costs, a high-tech member experience, exceptional service, and a range of benefit options including both proprietary primary care-centered ACO models as well as traditional networks.

For more information, visit centivo.com or follow us [@Centivo](https://www.linkedin.com/company/centivo) on LinkedIn or [@CentivoHealth](https://twitter.com/CentivoHealth) on Twitter.

Appendix

Methodology and demographic profile

Methodology

Method

Online Survey – Self-Administered through the [SSRS](#) Probability Panel

Fielded

August 11 - 24, 2021

Geography

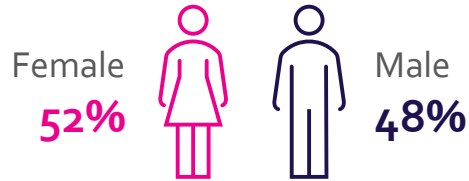
United States

Sample

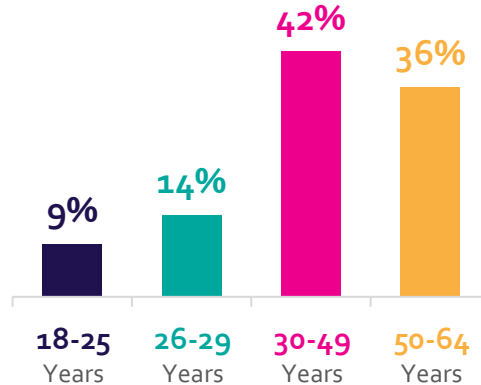
Total Sample: n=805 U.S. Adults 18-64, who have had employer-based private insurance continuously for the past two years (July 2019 – July 2021)

Demographics

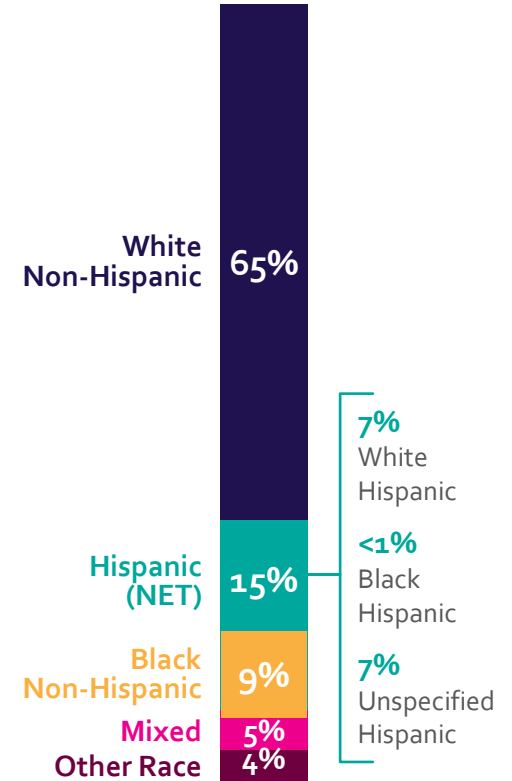
Gender



Age



Race



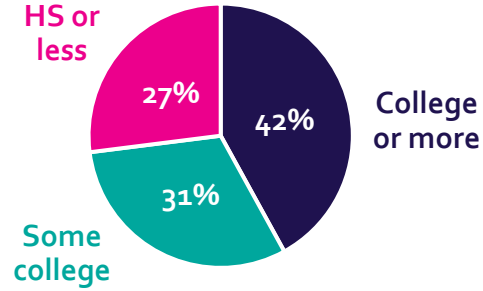
(N=805)

Demographics

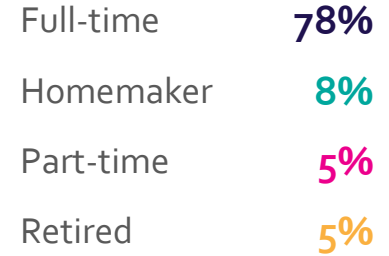
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(N=805)

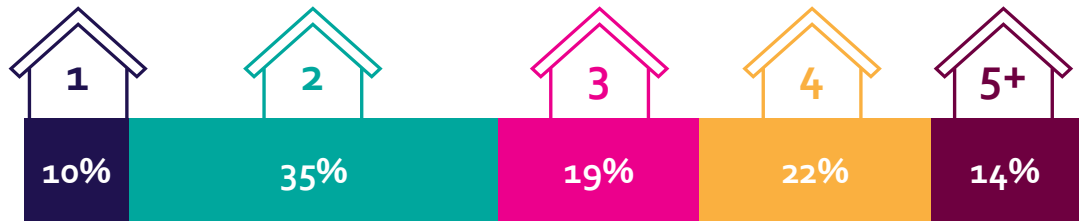
Education



Employment



Household size



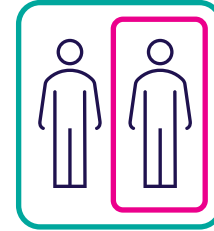
Demographics

Continued

(N=805)

Marital status

Married
67%



Single, separated,
widowed or divorced
33%

Income

