

LIFETIME OF HEALTHCARE COSTS RESEARCH



A study of adult out-of-pocket spending, financial preparedness and the cost of delayed care

From Synchrony Health & Wellness¹

¹2022 Lifetime of Healthcare Costs, conducted by ASQ360° Market Research on behalf of CareCredit, August 2022

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About this study

Why study the cost of our healthcare over a lifetime?

Though we live in the information age, much is still unknown to us like the cost of our healthcare. Too often, we find out the total cost of our healthcare, and what we owe, after we've already received it. And even more often, it's much more than we thought it would be.

The reality is that people are reporting rising healthcare costs as one factor preventing them from getting the care they need, when they need it.¹

At Synchrony, we believe it's crucial that everyone understand how much health and medical services truly cost in order to make informed decisions and plan for those costs, which can add up over a lifetime.

To better understand the estimated healthcare costs over an adult American's lifetime, Synchrony asked nearly 3,200 people about their out-of-pocket healthcare expenses, and how



they're managing them. Respondents spanned generations between the ages of 18 and 79—including Gen Z, Millennials, Gen X, Baby Boomers and the Silent Generation.

1946		964 19	976 19	996	2012
Silent	Boomer	Gen X	Millennial	Gen Z	

People are paying more for their healthcare, but don't know what to expect to pay over a lifetime—until now. Results of our study showed a gap between Americans' perceptions and the reality of healthcare costs—most people spend nearly 1.5 times more in a year than what they estimate and potentially plan for.

What's more, according to our study, an insured American with an employer-sponsored health insurance plan can expect to spend more than \$320,000 (including insurance premiums and out-of-pocket costs) over his/her adult lifetime.² This number could be more than double—nearly \$700,000—for Americans who purchase their own insurance (without employer or government subsidies) or for those who suffer from chronic illnesses such as diabetes, heart disease or cancer. One-quarter of Americans are concerned about medical debt and how they'll pay it off.

Ready to find out more? Let's take a closer look.

¹Montero, Alex, et al. "Americans' Challenges with Health Care Costs." Kaiser Family Foundation, 14 July 2022, www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs. ²2022 Lifetime of Healthcare Costs, conducted by ASQ360° Market Research on behalf of CareCredit, August 2022. Figure represents a baseline of out-of-pocket expenses which include average annual copays, prescriptions, and OTC medications, out-of-pocket co-insurance costs after the deductible is met, and annual health insurance premium costs. Not included is care for chronic or serious illnesses or elective procedures. An insured American with an employer-sponsored health insurance plan could expect to spend more than \$320,000 (including insurance premiums and out-of-pocket costs) over his/her adult lifetime.¹

Knowing the cost of healthcare for an adult is a real eye-opener. Visits to healthcare providers plus other expenses really accumulate. Are you prepared for those costs?

\$1,310 out-of-pocket per year



\$3,180 in monthly premiums per year

x 61 years* **\$321,226**

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*Adult life span is defined as the 61 years between the ages of 18 and 79.

Yearly cost breakdown**

0.62 ER visits \$127

1.06 urgent care visits \$74

2.69 specialist visits \$151

3.39 primary care visits \$183

Durable medical equipment \$177

OTC medications \$239

Prescription \$424 medications

Grand total yearly \$1,310

**For participants who self-reported costs and as insured.

Healthcare costs are nearly 1.5 times higher than what most respondents estimate.

The best rule of thumb is to always be prepared. Medical emergencies can occur suddenly, and unexpected healthcare costs can add up fast. The more financially prepared you are for an unforeseen medical expense, the better off you will be.

What respondents think they spend in a year*

What respondents actually spend in a year*

\$850

Over a lifetime, this means respondents underestimate their out-ofpocket expenses by around \$76,250

MANNE 4 out 5

Americans do not have savings to cover medical emergencies

*Estimated vs. reported yearly total; includes doctor visits, ER visits, hospital stays, specialist care, injections, imaging, labs, acupuncture, specialty diagnostic testing, chiropractic care, hearing care, eye care, dental care and other medical procedures, treatments and medications, excluding behavioral or mental health care, drug and alcohol rehabilitation services, etc.

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Do you have a dedicated savings account for unexpected health costs?

Among those who do, almost half say it's not enough.

49%

Plus...

• Only 40% of those surveyed think Medicare/Medicaid will be enough to cover medical costs after retirement.



• \$200 is the average monthly amount saved for healthcare.

68% More than two-thirds of Gen Z consumers say they do not have a good understanding of healthcare expenses.

More than 1 in 4 Americans have delayed recommended medical procedures because of cost.

Although it can be daunting, regular visits to your physician and having necessary medical procedures are an important part of keeping yourself healthy. Putting off a doctor's visit might seem harmless at the time, but the Synchrony Lifetime of Healthcare Costs Research shows that delaying medical help can result in more health problems down the road.

Have you ever delayed or ignored a recommended medical procedure because of its cost?





Delayed

Ignored

Did delaying or ignoring then cause additional medical issues?



Almost half of Gen Xers, Millennials and Gen Zers would delay medical care for a procedure costing less than \$1,000.

At what cost would you consider holding off or delaying non-urgent medical care?

Less than \$1,000:				
Gen X	47%			
Millennials 55%				
Gen Z	51%			

Almost 1 out 5 5

uninsured consumers choose to not go to the doctor because of costs.

Almost 1 out of 5 Gen Z • Almost 1 out of 4 Millennials 1 out of 5 Gen X • Less than 1 out of 10 Boomers

More than 1 in 4 Americans worry about or can't pay off medical debt.

Health problems are cause for worry on their own, and adding unexpected healthcare costs only contributes to the distress. If you worry about medical debt, you're not alone; the Synchrony Lifetime of Healthcare Costs Research shows that over 25% of consumers are concerned about medical debt.

Here's who has medical debt and either can't pay it off or worries about paying it off:





consumers don't think healthcare is affordable

Top 5 things consumers worry about when it comes to healthcare costs:

- Unexpected or catastrophic event
- Always increasing
- Affordability / Being able to pay
- Coverage
- Debt / Bankruptcy

Seeking a budget-friendly way to pay



Millennials and Gen Xers want to pay for medical expenses over time through set, equal payments.

Less than 9% of Gen Zers, **Millennials and Gen Xers** would use a health-specific credit card to pay for uncovered health expenses.

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Looking for more information or have questions?

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