

Health Expenses a Major Source of Mental Health Issues for U.S. Workers

A new study has found that more than one in four U.S. workers say expensive medical bills are having a major impact on their mental health.

Mental health issues have come to the fore during the COVID-19 pandemic, spurring employers to expect their group health plans to do more for their workers in this area.

The report on the study by the health care consulting company Centivo urges employers to consider new ways to reduce the medical financial burden some of their employees may be experiencing.

Mental health is already on the radar of employers:

- Large businesses reported that addressing their workers' mental and emotional health would be a top priority over the next three to five years, according to a 2021 study by Mercer Consulting.
- Nearly 40% of employers surveyed by the Kaiser Family Foundation in November 2021 said that they had made changes to their mental health and substance abuse benefits since the pandemic started.

The Centivo report found that:

- U.S. workers are increasingly having difficulties in paying for health care, particularly due to high copays, deductibles and other health plan cost-sharing elements.
- Health care affordability also correlates to sacrifices in care, including mental health care. Twenty percent of study participants who experienced major medical expenses said they skipped or delayed needed mental health care or counseling due to cost concerns.
- Medical expenses are a significant cause of mental health and well-being issues for both individuals and families.

Stress drivers

The report states that the findings raise concerns about whether some employees can even afford to use their health plans. It stressed two main points:

High deductibles – The report found one of the main drivers of stress was high deductibles and other out-of-pocket costs.

It found that only 10% of those surveyed had a health plan with a zero deductible.

More troubling was that 40% of those with deductibles ranging from \$1,000 to \$3,999 did not have enough money saved to cover a major medical expense.

Savings trumps more features” The study found that group health plan enrollees' top priority in their health plans is to save money, both on the front end in premiums as well as the back end in out-of-pocket costs.

Respondents said they would take saving money over expanded features, even if they had fewer choices in their health care. In fact, nearly three out of four respondents said they would trade off being able to see their current provider or specialist for a plan that is 10 to 30% less expensive than their current one.

The takeaway

One interesting finding in the study was the less that employees saved for health care, the more likely they were to report that a major medical expense had affected their mental health. Only those that reported more than \$10,000 in savings reported low levels of mental health issues.

That highlights the need for employees to set aside funds for health care expenses through health savings accounts, flexible spending accounts and health reimbursement accounts. These are funded with deductions from the employees' salaries before taxes are taken out.

Centivo's chief medical officer, Dr. Wayne Jenkins, said that employers can help their workers reduce their overall medical outlays by working with their employee benefits brokers to:

- Eliminate or reduce deductibles,
- Engage with health insurers to provide simple and predictable copays, and
- Make primary care visits free (which helps physicians diagnose serious ailments earlier, resulting in lower medical costs over time).

Also, businesses may consider "skinny plans," which typically have fewer provider choices in exchange for lower premiums and out-of-pocket costs.

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