Out-of-Pocket Spending Has Increased, Driven in Part by Outpatient Services & High Spenders

We analyzed a database of medical claims to examine whether patients covered by workplace-sponsored plans are bearing a greater share of their medical expenditures from 2013–2020.

TRENDS IN COST SHARING
The share of total medical expenditures paid out of pocket (OoP) by patients covered by an employer-sponsored plan increased by nearly 10 percent between 2013 and 2019, before dropping in 2020, most likely a result of delayed care amid the pandemic. Simply examining the share of out-of-pocket costs borne by patients tells an incomplete story, however.

SERVICES RENDERED
After disaggregating by spending type, we find the average spending on outpatient services saw the largest increase. The rise in spending on inpatient services was more muted, and prescription drug spending, in dollar terms, dropped slightly.

HEALTH CARE USAGE
Out-of-pocket expenditures for low-spending patients (lower users of healthcare) slightly decreased. The median patient did not see their out-of-pocket spending rise significantly. Higher spenders (75th and 90th percentiles) definitionally represent a minority of patients, but they have seen their out-of-pocket obligations increase significantly.

1. To capture expenses faced by the typical person covered by an employer-sponsored plan, people with no medical expenditures over the course of the year were included.

This study was supported by a grant from the FINRA Investor Education Foundation. The study was conducted through the EBRI Center for Research on Health Benefits Innovation (EBRI CRHBI), which receives funding support from the following organizations: Aon, Blue Cross Blue Shield Association, FINRA Investor Education Foundation, ICUBA, JP Morgan Chase, Pfizer, and PhRMA.