EBRI FAST Facts
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Most Insured Individuals Use Relatively Little Health Care

The use of health care services — and the spending associated with those services — is far from evenly distributed across the population. It has long been known that a small portion of the population accounts for a disproportionately large share of health care spending, with 20 percent of the population typically accounting for 80 percent of total health care spending.

This uneven distribution of health care spending across the population is generally true among the sub-population with employment-based health benefits as well. In prior EBRI research, we looked at how a small share of workers drives the majority of health care spending in employment-based health plans and found that 20 percent of the population accounted for 84 percent of spending. In other words, most people account for relatively little health care spending.

In this *Fast Fact*, we examine the entire distribution of health care spending, focusing on the large percentage of the population who uses no or very little health care.

The health care claims of 20.8 million individuals with employment-based health benefits in 2023 were examined using the MarketScan® Commercial Database. This database contains information on inpatient, outpatient, and pharmacy claims for workers and their dependents.

Key Findings:

- Twenty percent of individuals with employment-based health benefits accounted for roughly 84 percent of overall spending, and 80 percent of the population accounted for only 16 percent of spending.
- Within the 80 percent, there were individuals who used some health care and others who used no health care. Overall, 50 percent of the population used no or next to no health care in 2023.
    - Twenty percent used no health care in 2023.
    - Twenty percent used less than $500 in health care.
    - Ten percent used between $500 and $887 in health care (with $887 representing median spending on health care).

Figure 1

Distribution of Health Spending, Among Individuals With Employment-Based Health Coverage, 2023

Spending	Average Spending	Percentage of Spending	Proportion of Enrollees
Overall	$6,268	100%	100%
No Claims	—	—	20%
Under $500	$234	1%	20%
$500 to Under $887	$680	1%	10%
$887 to Under $5,000	$2,293	11%	30%
$5,000 to Under $10,000	$7,060	9%	8%
$10,000 to Under $25,000	$15,740	18%	7%
$25,000 to Under $50,000	$34,722	16%	3%
$50,000 to Under $150,000	$80,646	23%	2%
$150,000 or more	$304,277	22%	0.50%

Source: EBRI estimates using 2023 Merative™ MarketScan® Commercial Database.

While these findings were drawn from employment-based health coverage, they provide useful context for ongoing discussions about enrollment and utilization patterns in the Patient Protection and Affordable Care Act (ACA) Marketplace, where similar questions about spending concentration and low utilization have emerged.

Spending Concentration in the ACA Marketplace

Recent analyses of the individual market have highlighted that a sizable share of Marketplace enrollees do not submit health care claims in a given year. A 2025 report found that the percentage of individual-market enrollees with no health care claims increased from 19 percent in 2021 to 35 percent in 2024.[1] This has prompted debate over whether such patterns reflect enrollment anomalies, short-term or transitional coverage, or simply the expected outcome of insuring a population that includes many younger and healthier individuals. As in employment-based coverage, the presence of enrollees with little or no utilization is a predictable feature of insurance markets that rely on broad risk pooling.

At the same time, the individual market differs from employment-based health coverage in ways that complicate interpretation. Marketplace coverage experiences higher enrollee churn, more frequent midyear coverage changes, and greater reliance on income-based subsidies. As a result, zero-claim enrollment in the ACA Marketplace may reflect a mix of factors, including partial-year coverage, changes in eligibility, or transitions to other sources of insurance, in addition to low underlying health care needs.

From a policy perspective, distinguishing between these explanations is important for accurately assessing enrollment levels, risk pool composition, and premium trends in the non-group market. Evidence from employment-based plans shows that a large share of insured individuals routinely account for little spending in any given year, consistent with the risk-protection role of insurance. This pattern highlights the core insurance function of protecting against high-cost, low-probability health events — an issue central to both employment-based health coverage and the ACA Marketplace.

Summary

Health care spending is highly concentrated across insured populations, with a relatively small share of individuals accounting for most expenditures, while a large majority incur little or no spending in a given year. Evidence from employment-based health coverage shows that low or zero utilization is common and reflects the fundamental risk-pooling role of insurance rather than an anomaly. As similar utilization patterns are observed in the ACA Marketplace, careful interpretation is needed to distinguish normal insurance dynamics from administrative or market-specific factors when evaluating enrollment, costs, and premium trends.

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Endnotes

[1] https://paragoninstitute.org/paragon-prognosis/the-rise-of-phantom-obamacare-enrollees-biden-covid-credits-drive-massive-increase-in-individual-market-enrollees-with-no-medical-claims/