

Are High Medical Costs Halting Families' Holiday Cheer?

In the past two years, nearly 3 in 4 (71%) families with children under 18 in the household had to **make a sacrifice or hard decision during the holidays** because of medical cost concerns.¹



Lump of coal in 2020

Among families who visited the hospital in the past two years, **70%** faced significant out-of-pocket medical expenses beyond a copay or deductible during their most recent hospital visit.¹

64% spent \$500 or more in out-of-pocket costs, **up from 58% in 2019.**

That is **over half** of what the average U.S. shopper plans to spend this holiday season (\$999.79).²

Not so holly jolly

Within the past two years, families had to make the following difficult decisions during the holiday season due to medical cost concerns:¹

Fewer presents underneath the tree



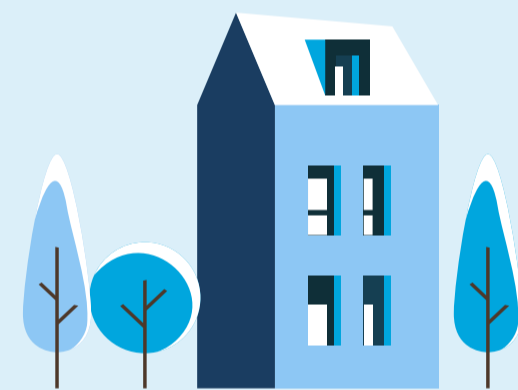
- 23%** spent less on holiday gifts or went without giving them altogether.
- 21%** decided against purchasing a gift for a loved one.
- 21%** reduced their overall holiday spending.

Risky debt on the rooftop



- 28%** relied on a credit card.
- 21%** borrowed money from a friend or family member.

Home alone for the holidays



- 23%** canceled events.
- 21%** put a stop to travel plans to see family or friends.

The Ghost of Insurance Coverage Decisions Past

Health care coverage regrets from the past two years are haunting nearly **37%** of families this holiday season:¹

- 41%** said they chose too high a deductible.
- 40%** said they went to a doctor out of network.
- 41%** said they chose a plan with limited benefits.



Get Help for the Holidays – and Year-round

U.S. families need help with the expenses health insurance doesn't cover. Aflac's supplemental insurance provides families with cash benefits that can be used however they want to help ensure better financial protection during the holidays — and throughout the year.

Get to know us at [Aflac.com](https://www.aflac.com).



¹2020 Aflac Health Care Issues Survey, a national online survey of 1,138 U.S. adults fielded in August 2020 by Hill+Knowlton Strategies. Learn more at [Aflac.com/HCI](https://www.aflac.com/HCI).
²NRF Winter Holiday Trends Report, available at <https://nrf.com/insights/holiday-and-seasonal-trends/winter-holidays>. Accessed Oct. 23, 2020.

2020 Aflac Health Care Issues Survey Fact Sheet

Americans facing sacrifices during the holidays due to medical costs

Within the past two years, **58% of individuals**¹ had to make some type of sacrifice or hard decision during the holiday season because of medical costs, up 5 percentage points from 2019.

Specifically, **over 1 in 5** said they had to spend less on holiday gifts or go without giving them altogether (21%) or rely on a credit card (22%) in the past two years due to medical cost concerns.

About **1 in 6** say they have had to do one or more of the following during the holiday season in the last two years due to medical cost concerns:

- Cancel travel plans to see friends or family (16%).
- Borrow money from a friend or family member (16%).
- Decide against purchasing a gift for a loved one (15%).

Because of similar medical cost concerns, **71% of families with children under 18 in the household** said they had to make similar sacrifices or difficult decisions.

Specifically, nearly **1 in 3** said they relied on a credit card (28%) in the last two years due to medical cost concerns. And **over 1 in 4** said they had to do one or more of the following during the holiday season:

- Spend less on holiday gifts or go without giving them altogether (23%).
- Cancel travel plans to see friends or family (21%).
- Borrow money from a friend or family member (21%).
- Decide against purchasing a gift for a loved one (21%).

COVID-19's impact

COVID-19 was the third top health condition among eight prevalent conditions presented that Americans said they or a member of their household was diagnosed with or received treatment for, affecting **12% of individuals and 16% of families with children**. Of these, 70% of individuals and 75% of families said they or a member of their household required hospitalization for the coronavirus.

The **top-two health conditions** were diabetes (28% individuals, 35% families) and cancer (14% individuals, 16% families), with heart attack (11% individuals, 14% families) and stroke (10% individuals, 13% families) a close fourth and fifth after the coronavirus.

Despite the reason or season, individuals and families have made hard decisions about their health and finances due to medical costs year-round, including:

- Postponed seeing a medical professional (28% individuals, 33% families).
- Relied on a credit card (27% individuals, 34% families).
- Picked up extra hours/shifts to offset medical expenses (17% individuals, 25% families).
- Postponed taking a family member to see a medical professional (17% individuals, 24% families).
- Took out a loan (13% individuals, 18% families).

These decisions are significant for those saying they or a household member was diagnosed with or received treatment for COVID-19:

- Relied on a credit card (44%).
- Postponed seeing a medical professional (37%).
- Postponed taking a family member to see a medical professional (33%).
- Picked up extra hours/shifts to offset medical expenses (31%).
- Took out a loan (30%).



Out-of-pocket medical costs continuing to be a growing challenge

The impact of out-of-pocket medical expenses is staggering for individuals, with **60% facing medical expenses** beyond a copay or deductible during their most recent hospital visit. Of those:

- 61% say they spent \$500 or more in out-of-pocket costs, up from 55% in 2019.
- 42% who visited a hospital said they spent \$1,000 or more in out-of-pocket costs, up from 35% in 2019.

Among families with children who visited the hospital in the past two years, **70% faced significant out-of-pocket medical expenses beyond a copay or deductible** during their most recent hospital visit. Of those:

- 64% said they spent \$500 or more in out-of-pocket costs, up from 58% in 2019.
- 45% said they spent \$1,000 or more in out-of-pocket costs, up from 37% in 2019.

Of those who said they or a household member was diagnosed with or received treatment for COVID-19, **79%** said they faced medical expenses beyond a copay or deductible during their most recent hospital visit.

Families more likely to make health care coverage choices they regret

Both individuals (**27%**) and families with children (**37%**) admit they made health care coverage decisions they regret within the past two years. The top reasons for regret include:

- Chose a plan with limited benefits (38% individuals, 41% families).
- Went to a doctor out of network (32% individuals, 40% families).
- Chose too high a deductible (36% individuals, 41% families).
- Chose a plan that didn't include my doctor's network (27% individuals, 28% families).
- Did not sufficiently research my benefits (31% individuals, 31% families).
- Did not contribute to my FSA/HSA (23% individuals, 28% families).

Among those individuals who say they or a household member was diagnosed with or received treatment for COVID-19, **62% admit coverage regrets** within the past two years.

A high familiarity with hospitals

Over half of Americans (**51%**) and **62%** of families with children say they have been to a hospital in the past two years for an outpatient procedure, an overnight stay or both. In particular:

- 28% of individuals and 34% of families went to the hospital for an outpatient procedure.
- 15% of individuals and 17% of families have been to a hospital for an overnight stay.
- 8% of individuals and 11% of families had both outpatient and inpatient procedures requiring an overnight stay.

Americans visited the hospital within the past two years for the following reasons:

- Pre-scheduled surgery (35% individuals, 39% families).
- Accidents such as a broken bone, cut, burn, etc. (31% individuals, 38% families).
- Sudden illness such as heart attack, stroke, etc. (30% individuals, 35% families).
- Chronic illness such as arthritis, asthma, cancer, diabetes, etc. (33% individuals, 36% families).

Methodology Summary

The 2020 Aflac Health Care Issues Survey is a national online survey of 1,138 U.S. adults fielded in August 2020 by Hill+Knowlton Strategies. Learn more at [Aflac.com/HCI](https://www.aflac.com/HCI).

*Throughout, "individuals" refers to all survey respondents.

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