NEWS BRIEF

Healthcare Affordability Plummets to Lowest Level Since 2021

A recent Gallup report found that in 2025, fewer than half of U.S. adults can consistently afford the care they need, a milestone with serious implications for employers navigating benefits decisions in an increasingly cost-pressured environment.

The West Health-Gallup Affordability Index, a collaboration between the healthcare policy nonprofit West Health and the analytics firm Gallup, categorizes individuals into three distinct categories based on their ability to afford and access care. The index now classifies just 49% of American adults as "cost secure," which is defined as being able to access quality, affordable care and having recently been able to pay for both needed care and medications. The share of cost-secure adults has fallen by 12 percentage points since 2022 and by two percentage points from 2024 alone, extending what the report describes as a steady downward trend.

On the other end of the spectrum, 41% of adults are now considered "cost insecure," defined as lacking access to affordable care or having recently been unable to pay for needed care or medications. Another 10% fall into the "cost desperate" category, meaning they are unable to access affordable care and pay for both needed care and medications.

"Declining cost security and rising concern about future affordability point to healthcare as a serious and significant financial challenge facing Americans in 2026."
- Gallup

What's Driving the Decline

The report points to several compounding factors and distinctions behind the drop in affordability. Prescription drug costs are a significant contributor. Amost half (42%) of Americans are concerned about affording prescription drugs, a number that has risen steadily from 30% in 2021. Adults who are unable to afford their medications are a key driver of cost insecurity classifications, underscoring the growing centrality of pharmacy spend to the broader affordability picture.

The data also reveals a notable gap along gender lines and health conditions. Women are disproportionately represented among cost-insecure adults, facing greater barriers to both care access and the ability to pay for needed services.

In addition, the index found that Americans with chronic conditions are significantly less likely to be cost secure than those without any chronic condition. Mental health is another pressure point surfaced by the report; more than 6 in 10 adults with anxiety or depression are struggling to afford healthcare services and prescriptions, a gap Gallup warns may directly affect their ability to manage their conditions.

Looking Forward

The data makes it clear that healthcare affordability is a frontline workforce challenge. Employers who take a proactive look at their benefits strategy now, whether that means evaluating plan design, expanding supplemental offerings or improving employee education about coverage options, will be better positioned to support their people and manage costs in the years ahead.