

Premiums for public health insurance affect coverage

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Requiring individuals to pay a premium for public health insurance coverage can counteract the coverage effects of expanding eligibility for public health insurance programs to higher income families.

That is the finding of a study by a team of researchers from Georgetown University School of Nursing & Health Studies (NHS), University of California at Los Angeles (UCLA), and Columbia University published today in the journal *Health Services Research*.

"Our findings speak to the importance of not just the availability of insurance coverage, but also the affordability of [health insurance coverage](#) in reducing the numbers of uninsured individuals in the U.S.," explains lead author Carole Roan Gresenz, PhD, the Bette Jacobs Endowed Professor in the Department of Health Systems Administration at NHS, which is part of Georgetown University Medical Center.

"Looking forward, the study highlights the importance of subsidies for the purchase of health insurance coverage provided for by the Affordable Care Act," says Gresenz, a health economist.

Using a simulation model, Gresenz and her research colleagues examine how income eligibility thresholds and premium contribution requirements associated with [public health insurance](#) programs affect children's health insurance coverage outcomes.

"Our study looked at recent expansions in many states of the Children's

Health Insurance Program, or CHIP, a public insurance program for children in families whose income is too high to qualify for Medicaid, but too low to afford purchasing health insurance on their own," she says.

Using simulation, Gresenz and her colleagues were able to analyze various combinations of income eligibility thresholds and premium contribution requirements, assessing their impact on the percentage of children who would have no health insurance coverage, public coverage, or private coverage.

"We found that if states expand their income eligibility threshold for CHIP—for example, from 200 to 400 percent of the poverty line—but also require more than a modest premium contribution, health [insurance coverage](#) outcomes for children are virtually unchanged," Gresenz says.

Gresenz notes that many states have implemented premium contribution requirements for public health insurance as a way to reduce "crowd-out," or the movement of children with private [health insurance](#) to public coverage when public coverage becomes available.

"Our research shows that families are sensitive to these premium costs," adds Gresenz. "To meaningfully affect coverage outcomes, insurance needs not only to be more available, but also more affordable. The subsidies for the purchase of coverage that the Affordable Care Act provides to families with incomes under 400 percent of the poverty line are crucial in realizing health reform's full potential to reduce the number of uninsured in the country," she says.

Provided by Georgetown University Medical Center

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