

Survey: Costs of ACA health insurance in Texas vary significantly depending on income

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The cost of monthly premiums for health insurance plans for Texans under the Affordable Care Act (ACA) can vary by hundreds of dollars, depending on a person's income and the level of coverage chosen, according to a report released today by the Episcopal Health Foundation and Rice University's Baker Institute for Public Policy.

The report found Texans earning about \$17,000 a year were offered free premiums on some ACA Marketplace [health insurance plans](#) because of federal tax credits. However, a person who makes around \$35,000 a year would pay around \$150 per month for the same plan.

Researchers discovered that where a person lives could also affect monthly premium costs. They found a person making \$35,000 a year in Dallas would pay \$80 more each month for the highest-level plan than if that same person lived in San Antonio.

"More than 1.5 million people in Texas who make between \$16,000 and \$46,000 a year remain uninsured," said Elena Marks, CEO of the Episcopal Health Foundation and a nonresident fellow in health policy at the Baker Institute. "People living on incomes of \$35,000 a year may still find it difficult to set aside \$150 a month to pay for health insurance, particularly if they rarely seek health care. And that's for the lowest-cost plan."

The more money individuals make, the more they pay for Marketplace insurance plans, as intended by the ACA. For example, a person in

Houston making \$17,000 a year paid \$50 a month for a "Silver" plan. A Houstonian who earns \$23,000 paid \$114 a month for the same plan and a person making \$35,000 paid \$211.

Without tax credits, "Bronze" plans are similarly priced across Texas cities, the report found. Costs for plans with other levels of coverage varied more widely across the state. For some plans the price difference was just a few dollars a month. For the "Gold" plans, the difference could be more than \$50 a month.

"In previous research, we reported almost half of the target population for the ACA in Texas didn't buy a policy because costs were too high or they said they didn't have enough money to spend on a plan," said Vivian Ho, the chair in health economics at Rice's Baker Institute, a professor of economics at Rice and a professor of medicine at Baylor College of Medicine. "As we move toward the second year of the Marketplace, penalties rise if you don't buy health insurance. For someone making \$35,000, the new penalty would be \$700. We'll be interested to see whether more in the target population purchase plans when those penalties rise."

The report is the eighth in a series on the implementation of the ACA in Texas co-authored by Marks and Ho.

The Health Reform Monitoring Survey (HRMS)-Texas report is based on a national project that provides timely information on implementation issues under the ACA and changes in [health insurance coverage](#) and related health outcomes. The Episcopal Health Foundation and Baker Institute are partnering to fund and report on key factors about Texans obtained from an expanded representative sample of Texas residents. Today's [report](#) contains responses from 1,595 Texans in September 2013 and 1,538 in March 2014.

The survey was developed by the Urban Institute, conducted by the company GfK and jointly funded by the Robert Wood Johnson Foundation, the Ford Foundation and the Urban Institute.

More information: Report: [bakerinstitute.org/research/af ... opolitan-areas-texas](https://bakerinstitute.org/research/af...opolitan-areas-texas)

Provided by Rice University

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