

Millions leaving government insurance money on the table?

October 4 2016, by Tom Murphy

Millions of Americans who bought individual health insurance outside the Affordable Care Act's public exchanges may be leaving money on the table if they skip those marketplaces again in picking 2017 coverage, a new report says.

The Department of Health and Human Services estimates that 2.5 million [people](#) who bought so-called off-exchange coverage for this year might have income levels that qualify them for tax credits to help pay the premium.

These marketplaces offer tax credits to customers with income levels up to four times the [federal poverty level](#), or nearly \$100,000 for a family of four. The lower the income, the more help a customer receives. But in order to receive a subsidy, the customer must buy insurance through the exchanges.

HHS says several states, including California, Texas and Florida, have more than 100,000 people enrolled in off-exchange individual coverage who may qualify for help if they shopped on the exchanges.

Those who buy individual coverage without [tax credit](#) help—an estimated 6.9 million people according to the report— pay the full price of the policy. That can expose them to steep premium increases if they don't switch to a cheaper plan. Insurers in some markets have asked for premium hikes of well over 10 percent for 2017.

The HHS report, released Tuesday, doesn't estimate how much help these shoppers might receive if they used the exchanges. It also doesn't examine why they shopped outside the exchanges. In some cases, people may be buying a plan that isn't sold on a state-based exchange simply because they prefer that plan.

HHS also noted that while more than 9 million people receive assistance, many others remain unaware that they can receive help if they buy coverage through the exchanges.

The annual enrollment window for 2017 coverage begins November 1 and runs through next January.

Public exchanges are used by a minority of insured people in the U.S.; most insured people get coverage through employer-sponsored plans. But the exchanges have generated outsized financial losses for many insurers, and some have responded by abandoning those marketplaces in several states.

Insurers and the government have been trying to draw more people to the exchanges to stabilize these still-developing markets. They hope that if people are aware of the subsidies available on the exchange, they will use them to find coverage.

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