

Many insured under the Affordable Care Act miss opportunities for financial assistance

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A survey conducted by investigators at the Mongan Institute Health Policy Center at Massachusetts General Hospital (MGH) found that almost one-third of Californians enrolling in individual insurance plans offered under the Affordable Care Act (ACA) in 2014 potentially missed opportunities to receive financial assistance with either premium payments, out-of-pocket costs or both. In their report published in the journal *Health Affairs*, the researchers note that enrollees who received assistance from certified enrollment counselors were less likely to choose plans that made them ineligible for assistance.

"Our findings underscore the need for continued efforts to help enrollees make good plan choices, which will remain important even if the Affordable Care Act is repealed and replaced," says Vicki Fung, PhD, of the Mongan Institute, lead author of the paper. "Improving decision support for consumers could be particularly important if major changes are made to the market or to the availability of subsidies, especially after consumers have had three or four years of experience with the ACA."

Under the ACA, lower-income consumers who purchase health insurance through state-operated insurance exchanges or the federal HealthCare.gov exchange are eligible for several types of assistance, depending on their income level. Those with household incomes less than 400 percent of the federal poverty level can receive tax credits for premium payments, and those with households at less than 250 percent of the poverty level are eligible to enroll in [plans](#) that reduce out-of-pocket or cost-sharing payments for services they receive. But these

subsidies are not available to those purchasing insurance outside the exchanges, and cost-sharing assistance is only available to those choosing silver-tier plans.

A previous report from the Department of Health and Human Services found that, among those enrolling in 2015 through HealthCare.gov, 87 percent received premium assistance and 60 percent received a reduction in cost sharing. But 27 percent of those eligible for both types of assistance enrolled in plans not in the silver tier, missing out on cost-sharing assistance. In addition, others purchased plans outside of the exchanges, forfeiting any type of assistance. The current study was designed to determine not only how many Californians probably eligible for [financial assistance](#) choose ineligible plans but also whether the type of enrollment assistance received was associated with enrollees' plan choices and whether or not enrollees had difficulty affording their plans and the health services they received.

The research team conducted a telephone and web survey of individuals enrolling in individual market insurance plans—as opposed to group plans offered through employers or organizations—from the four major insurance carriers in California in 2014. This included both those who bought plans on the state or federal exchanges and those bought plans outside of the exchange. Those responding to the survey were asked about their personal health and health care utilization in the previous year, their insurance status in 2013, sources of assistance they received in choosing their 2014 plan, and how affordable they found premiums and cost-sharing payments to be. Respondents' potential eligibility for assistance was based on their reported income and the number of people in the household. Their responses were linked to enrollment data, including the type of plan they purchased in 2014 and whether they purchased their plan on or off the exchanges.

More than 2,000 individuals completed the survey, which was conducted

between November 2014 and August 2015. Based on income data, about 51 percent were determined likely to be fully eligible for financial assistance - meaning eligible for both premium tax credits and cost-sharing reduction—22 percent were likely to be eligible for premium assistance only and 27 percent were not eligible for any assistance. Overall, 74 percent of enrollees purchased plans on the exchanges—86 percent of those fully eligible, 75 percent of those partially eligible and 50 percent of those ineligible. About 14 percent of fully eligible enrollees and 25 percent of those partially eligible forfeited any assistance by purchasing off-exchange plans.

Among fully eligible enrollees, 66 percent purchased the on-exchange silver-tier plans making them eligible for both types of assistance, and 20 percent purchased plans in other tiers, forfeiting the cost-sharing assistance. In total, among enrollees who were likely to be eligible for some level of assistance, about 31 percent chose a plan that was ineligible for premium or cost-sharing assistance or both. In addition, 24 percent of enrollees received assistance from certified counselors, and fully eligible enrollees who purchased off-exchange plans were less likely to have received assistance from counselors and more likely to report no assistance or be unsure whether they had received assistance. Around 40 percent of fully eligible enrollees reported having difficulty paying premiums and a similar percent had difficulty paying out-of-pocket costs, as did 46 and 43 percent, respectively, of those partially eligible. Those purchasing plans that limited available assistance—either off-exchange plans or non-silver-tier plans—were more likely to report difficulty paying premiums or out-of-pocket payments.

"It is possible that some of those passing up opportunities for assistance made reasonable decisions, based on their perceived risk of needing medical care or the fact that tax credits for those with incomes closer to 400 percent of the [poverty level](#) were minimal in many regions in California. Other cases, such as missing opportunities for premium and

cost-sharing assistance for those with incomes less than 200 percent of poverty, were more likely to be poor plan choices. Many of these enrollees could likely have paid less for the same or even more generous plans," says Fung, who is an assistant professor of Medicine at Harvard Medical School. "Choosing a health plan is inherently complex and can be especially challenging during times of policy transition. More work is needed to assess other dimensions of plan choice quality and identify ways to help improve enrollee choices."

More information: Vicki Fung et al, Nearly One-Third Of Enrollees In California's Individual Market Missed Opportunities To Receive Financial Assistance, *Health Affairs* (2017). [DOI: 10.1377/hlthaff.2016.0472](https://doi.org/10.1377/hlthaff.2016.0472)

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