

# Shoppers may face hard choices again on health marketplaces

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Jodi Smith Lemacks, left, works with her son, Joshua, in their home in Richmond, Va., Tuesday, Oct. 16, 2018. Lemacks is nervous about changing or losing her job because that could mean cutting off her son Joshua from heart specialists he's seen his entire life. (AP Photo/Steve Helber)

Insurance shoppers likely will have several choices for individual health coverage this fall. The bad news? There's no guarantee they will cover certain doctors or prescriptions.

Health insurers have stopped fleeing the Affordable Care Act's

marketplaces and they've toned down premium hikes that gouged consumers in recent years. Some are even dropping prices for 2019. But the market will still be far from ideal for many customers when open enrollment starts Thursday.

Much of the insurance left on the marketplaces limits patients to narrow networks of hospitals or doctors and provides no [coverage](#) outside those networks.

Plus these plans can still be unaffordable for people who don't receive help from the ACA's income-based tax credits, and they often require patients to pay several thousand dollars toward their care before most coverage starts.

"People understand that things are kind of screwed up," said Chicago-area broker Robert Slayton. "My objective is to give them what reality is, to give them options. Their job is to choose what may work."

The ACA expanded coverage to millions of Americans when it established state-based marketplaces where people can buy a plan if they don't get insurance through work or qualify for government programs like Medicaid. But the expansion has been rough.

Several insurers pulled back from these markets after being swamped with higher-than-expected costs. Many that remained jacked up prices or started limiting the hospitals and doctors included in their coverage networks.

Those narrow networks give insurers leverage to negotiate better rates that can lead to lower coverage prices, and the consulting firm McKinsey & Co. has found that the quality of their hospitals is comparable to broader networks.

Plans with narrow networks will cover necessary specialists like cardiologists, but they often exclude out-of-state care providers or [academic medical centers](#), which tend to be more expensive.

They can pose problems for patients who have more than one physician or want to keep a doctor covered under a previous plan.

Jodi Smith Lemacks is nervous about changing or losing her job because that could mean cutting off her 15-year-old son Joshua from heart specialists he's seen his entire life. The Richmond, Virginia, resident said she looked last year for options on the ACA's marketplace to trim the coverage bill she pays through work.

She didn't find any plans that would cover his current doctors, including some at the Children's Hospital of Philadelphia, who treat his [congenital heart disease](#).

"The issue with kids like Joshua is, it really matters, it's life or death where you go," she said.

Plans with some form of a limited network made up more than half of the choices offered for 2017 on the ACA's marketplaces, according to the latest numbers from McKinsey. That coverage was particularly common in the price range where most consumers shop, which is within 10 percent of the lowest-priced plan.

These plans grew more common from 2014 to 2017, especially in cities where insurers could choose between competing hospital networks. But that trend has since stabilized, said McKinsey's Jim Oatman.

Even so, brokers aren't expecting narrow networks to go away. In some markets like St. Louis, they were the only option shoppers had among 10 plan choices for this year.

The narrow networks are grouped by hospital systems, and broker Kelly Rector has several customers who see doctors in different systems. She advises them to pick their coverage based on which doctor is most important and drop the others for in-network options.

Plans with narrow networks can make it harder to simply get to the doctor, especially if it's a specialist.

Wichita Falls, Texas, residents with individual coverage have to drive nearly two hours to see an in-network neurologist, insurance agent Kelly Fristoe said. That can be stunning to customers who buy an individual plan after having coverage through work, which tends to come with wider networks.

"They don't like it," Fristoe said. "They're forced to make a change, and they have to go establish themselves with a new specialist."

Debbie Dean lives 15 minutes from a suburban Chicago hospital, but she'll have to travel about an hour to an in-network location if she wants surgery on her injured shoulder. Dean couldn't find affordable coverage that included the nearby hospital when she bought her 2018 plan.

Instead, she settled on insurance that comes with a \$6,000 annual deductible she has to pay before most coverage starts. That, plus the travel distance, keeps her from seeking help.

"I'm grateful that I have coverage, but it's really cruddy coverage," she said. "I sit here with my shoulder killing me every day."

Narrow-network plans with their lower prices can be good for shoppers who aren't tied to a doctor and just want protection from big medical bills, said Paul Rooney, a vice president with the online insurance broker eHealth.

"They're younger and they're healthier and they're thinking, 'I'm going to get this coverage in case I hurt my knee playing basketball,'" he said.

But it can be tough for consumers when shopping to know if there's a decent selection of doctors nearby until they need one.

People who "have the most to lose from having a narrow-network plan are those who have something unexpected happen to them," said Daniel Polsky, a University of Pennsylvania economist.

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