

Obamacare's insured struggle with premiums as 2015 enrollment begins

By Lora Hines

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Darrell Shepard, 48, of Houston struggles to pay his monthly insurance premium for coverage he bought in the 2014 health insurance marketplace that was created by the Affordable Care Act. On the other hand, his health care costs have been much lower this year because of that insurance.

For Sophia Morales, 31, the coverage she bought under the provisions of the 2010 health care law enabled her to get her diabetes under control as she became insured for the first time in her life. However, the \$147 monthly premium is now another bill that she and husband Bennie Garza, 30, must juggle along with their mortgage and utilities and the needs of four children ages 3 to 11.

"It gives you more peace of mind," Garza said. "The main issue is I have another bill now that's \$150 a month. We'll find out a way to pay it. But it's always crunch time for us."

With the 2015 open enrollment period set to open Saturday, experts are hoping to build on the successes of the inaugural year in helping reduce the rate of uninsured in Texas and the other states. And with even more insurers entering the marketplace this year, they are encouraging Shepard, Morales and others to shop around for cheaper plans offering the same coverage.

Nearly 734,000 Texans - many of them lower-income, previously uninsured working people - signed up during the marketplace's 2014 open enrollment, and all but 15 percent of them qualified for subsidies that reduced their monthly premium bills, the Center for Public Policy Priorities in Austin reports.

On average, marketplace enrollees pay \$72 per month for coverage.

With more than 137,000 sign-ups, Harris County reported the state's highest share of overall enrollment for 2014, according to Enroll America, a health insurance coalition. About 1 in every 5 Texans who signed up for coverage lived in Harris County.

Still, a quarter of Texans - an estimated 6 million people, including more than 1 million Houston-area residents - remain uninsured. The state has the highest rate of un-insured residents nationwide.

Can't afford it?

Researchers locally and across the country found many people did not buy coverage for 2014 because they believed they couldn't afford it.

Half of Texans eligible for subsidies to offset insurance premium costs said coverage still was too expensive.

"The affordability of health insurance marketplace plans, even with subsidies, has been an open question from the outset," Elena Marks, president and CEO of Houston's Episcopal Health Foundation, said in a written statement at the time the survey came out.

Marks and Vivian Ho, health care economics chair at Rice University's Baker Institute, began studying insurance enrollments after the marketplace launch in October 2013. The number of uninsured adult Texans dropped about 2 percent, studies indicate.

As Shepard, Morales and other lower-income Texans prepare for the second year under the federal program, health care experts say more insurers, including

UnitedHealthcare, one of the nation's largest, will participate and more plans will be available. That could increase competition and reduce premiums next year.

A report released last week by the Robert Wood Johnson Foundation indicates consumers in most markets will find less expensive plans or premium hikes of less than 5 percent. Consumers might have to switch insurance companies to get the best deal, the report said.

Meanwhile, the penalty for declining to purchase health insurance increases in 2015 to \$325 per person or 2 percent of family income, whichever is greater. The higher penalty could push more people toward marketplace coverage.

Several studies indicate about 10 million Americans gained health care coverage under the law in 2014. Nationwide, experts estimate 14 million people will sign up for 2015 coverage after open enrollment resumes.

However, many will need assistance navigating the system because they have little understanding of how health insurance works or whether they qualify for premium subsidies.

Insurance 'a hard sell'

"The (Affordable Care Act) is clearly working to reduce the number of uninsured people," said Ken Janda, president and CEO of the Houston-based managed care organization Community Health Choice. "But insurance is a hard sell. People like instant gratification with things that they're buying. People don't use their insurance policy every day."

But those monthly premiums don't cost nearly what an emergency room bill or hospital stay would, Janda said.

"Insurance is a really good thing," Janda said. "For a whole lot of people, that peace of mind knowing they will not be bankrupted by medical bills and that they have the ability to have all their preventive care covered is wonderful."

Almost all Texans who sought information about the 2014 health insurance marketplace turned to the federal website, healthcare.gov, or the government's call center, according to research conducted by Marks and Ho.

In preparation for 2015 open enrollment, local health agencies will open call centers and assistance centers to answer applicants' questions.

Janda recommends consumers shop the marketplace for better and less expensive plans before renewing their current coverage.

"There might be a new product that's out there this year or a different carrier with the same product that will save them money," said Janda, whose agency offers marketplace plans.

While Shepard and Morales said they like the insurance plans they purchased, they intend to look for better and less expensive 2015 coverage. They bought plans based on their budgets and health care needs.

"We needed something to keep the co-payments low," said Morales, a self-employed cake maker who also works part-time.

She wants coverage under the employer-based health plan of Garza, a law firm file clerk. But at almost \$660 per month, the couple can't afford to add her to the plan. The cost would add up to half Garza's paycheck. Their children are covered through Medicaid.

Being savvy

Garza researched more than a dozen options available in the Houston area and repeatedly phoned the federal marketplace call center before selecting a plan that would provide the best coverage for the couple's money.

A savvy shopper, he knew low-cost premium, high-deductible plans could end up being more expensive if Morales needed a lot of medical care and doctor appointments.

Shepard struggles to keep up with his \$89 monthly premium for his 2014 Blue Cross Blue Shield of Texas marketplace plan. The security firm for which Shepard works offers health insurance, but he said he can't afford to have \$125 taken out of his paycheck every two weeks to pay for it.

Praise for Obamacare

"With rent, a truck note and gas, I'm struggling to keep up," Shepard said. "But Obamacare is better than going through my company for insurance."

Shepard's marketplace plan includes all services provided at the Legacy Community Health Services clinic where he seeks care for diabetes, high cholesterol and high blood pressure.

Before buying insurance, he paid cash for clinic visits, each costing \$80. With insurance, appointments cost Shepard \$30.

"I like that part," said Shepard, who gets checkups every six months. "Labs are \$20. My meds are free. They do everything there."

Affordable Care Act enters Year 2

Open enrollment for 2015 coverage through the federally mandated health insurance marketplace opens Nov. 15 and runs through Feb. 15. Following are answers to some frequently asked questions

Where can I find information about and shop for insurance plans? healthcare.gov

Who can I call for help? Try the following numbers to determine where in-person application assistance is available: Federal call center, 800-318-2596; in Harris County, 832-393-5423; in the 12 surrounding counties, 855-892-8082.

Do I qualify for insurance premium subsidies? Texans earning \$11,600 to \$47,700 per year individually or \$23,800 to \$95,400 annually for a family of four might qualify for subsidies. Use the Get Covered America Calculator at getcovereredamerica.org or the Kaiser Family Foundation calculator at kff.org.

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Read the article online at: <http://www.houstonchronicle.com/business/medical/article/Obamacare-s-insured-struggle-with-premiums-as-5879836.php>