

Tough Choices Await ACA Exchange Applicants

Linda Barlow | December 22, 2014

After more than two decades of being covered under employer-sponsored medical plans, my consultant husband and I (a freelance writer) are now in the position of having to purchase our own health coverage.

We both have found the online [Health Insurance Marketplace](#) fairly easy to navigate. After entering our zip code and ages, a list of available plans pops up. This list can be sorted either by monthly premium or by deductible, making it easy to see estimated costs at a glance. This is where the tough choices start.

HMO, PPO or POS? A higher monthly premium and lower deductible, or a lower monthly premium with a higher deductible? Choose a plan that our current health care providers accept or try a new plan and find new providers? What about drug coverage and doctor visit co-pays?

For millions of previously uninsured Americans who will enter the Marketplace for the first time and will subsequently find themselves underinsured, these choices can represent possible unseen financial hurdles. That's because, while the ACA does a great job of providing health care for people who previously had been uninsured, it does not address the continued financial pressure on the underinsured.

As Aaron E. Carroll, professor of Pediatrics, Indiana University School of Medicine, points out in a recent [New York Times column](#), the ACA may actually be helping to *spread* the problem of underinsurance. The point of having insurance, he says, is to be able to get care when you need it, without too large a financial burden. Underinsured Americans – while in a better position than the uninsured – are not receiving this benefit though and can't get the care they need, according to Carroll.

One is considered underinsured if his or her out-of-pocket health care costs exceed 10 percent of income (5 percent when income is less than 200 percent of the federal poverty level), or when one's insurance deductible is more than 5 percent of income. According to a 2014 survey conducted by the [Commonwealth Fund](#), 13 percent of insured Americans fall into this category.

What happens when the newly insured become the newly underinsured? Although they now have access to preventive care and other services, many – two out of five according to the Commonwealth Fund survey – delayed needed care because of unaffordable

deductibles. They did not go to the doctor when sick, did not get a preventive care test, skipped a recommended follow-up test or did not get needed specialty care.

Unfortunately, these cost pressures hit hardest among those who need care the most, as people with chronic health problems are more likely to spend large shares of their income on medical costs not covered by their insurance than insured adults in better health.

Choosing a health plan can be complicated, no matter what your income level or health situation. Fortunately, the Health Insurance Marketplace offers [tips on how to choose a plan](#), taking into account plan category, monthly premiums, out-of-pocket costs, type of insurance plan and provider network and benefits. This may be a good place to start. Other tips are available from [Consumer Reports](#).

“The Bronze, Silver, Gold and Platinum categories within the ACA provide some clarity in the purchasing process,” says Bryan E. Neely, President, [HR Ally](#). “Individuals should purchase insurance first by cost/affordability, then by benefits including copays and deductibles. Many Americans are finding that they actually qualify for Medicaid, especially in those states where Medicaid has been expanded per the ACA.”

In addition to cost pressures, the newly insured/underinsured may find it difficult to receive care as some [providers place caps](#) on the number of new patients they will take on in order to manage their workload – a problem that will become more acute in the face of a looming [shortage of primary doctors](#).

Nobody yet knows what the full impact will be of the ACA on the ability of health care providers to improve health outcomes among underinsured Americans. But it is an issue that bears watching. Let us know what you think in the comments section.

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