

# Deseret News

## Up to 300,000 Utahns qualify for tax subsidies for health insurance premiums

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Published: Wednesday, Nov. 6 2013 5:57 p.m. MST



Federal tax subsidies are available to help people afford health insurance coverage purchased on new insurance marketplaces. A new report estimates that more than 206,000 Utahns are eligible to take advantage of the credit. (HealthCare.gov)

SALT LAKE CITY — Up to 300,000 Utahns may be eligible to receive an available tax credit if they buy health insurance on the federal marketplace.

The subsidy, meant to make health care more affordable for more Americans, is available to people with incomes between 100 percent and 400 percent of the federal poverty level, and it is applied to the premium cost of any plan purchased at [healthcare.gov](http://healthcare.gov).

"When people hear that, they're no longer complaining about having to buy health insurance, and they're excited about what they can qualify for, typically," said Randall Serr, director of [Take Care Utah](http://TakeCareUtah.com), a consumer health assistance program hosted by the Utah Health Policy Project that, with United Way, is receiving federal grant money to help Utahns enroll for coverage.

Serr said that despite a federal marketplace website that is not yet completely reliable, Utahns have been able to submit paper applications for health insurance and use helpful tools, such as a [subsidy calculator](#), to get an estimate of how much of a tax credit they might qualify for.

The tax credit is then applied directly to premium costs and paid to the insurer.

A new [report](#) from the Kaiser Family Foundation estimates the number of eligible Utahns using an analysis of federally collected population and economic data. The report also suggests that by 2018, around 20 million people covered in marketplaces nationwide will receive premium tax credits to aid them with their premium costs.

Tax credits are expected to average \$2,700 for individual coverage purchased on the marketplace, and about \$5,500 per family, covering about 32 percent of premiums for a so-called "silver," or midlevel plan, according to Kaiser.

"Tax subsidies are an essential part of the equation for many people who buy insurance through the new marketplaces next year," Foundation President and CEO Drew Altman said in a prepared statement. "They will help make coverage more affordable for low- and middle-income people."

People without insurance after March 31, 2014, will be assessed a fee with their taxes the following year.

"The subsidies make (health insurance) obtainable. They make it affordable. They make it a reality that people can work into their monthly budget and still have money left over for their car and food and housing and saving for their child's education," said Jason Stevenson, education and communications director for the [Utah Health Policy Project](http://UtahHealthPolicyProject.org), a nonprofit group that advocates for health care for all Utahns.

He said the group believes more Utahns than originally projected might become eligible for subsidies, as businesses adapt to the changes inflicted by the Affordable Care Act and perhaps send more people to the marketplace to purchase insurance.

The Kaiser report, which provides state-by-state data, suggests that 206,000 Utahns are eligible for premium assistance through a subsidy, but a previous [Families USA-commissioned report](#) states that nearly 270,000 Utahns could qualify for the help.

Tax credits are determined on a sliding scale, based on income, so that individuals and families with the lowest incomes will receive the largest tax credits, "ensuring that the assistance is targeted to the people who need it most," according to the Families USA report. Tax credits are also only available to marketplace enrollees.

"People who have higher incomes are still getting help, but they're getting a smaller amount of help," Stevenson said.

The amount of people eligible in Utah puts the Beehive State about average, in the middle of all states.

Kaiser reports that three states, Texas, California and Florida, each have more than 1 million tax-credit-eligible residents, and another seven states have more than 500,000 tax-credit-eligible residents. At the lower end, seven states have fewer than 50,000 tax-credit-eligible residents, with the District of Columbia (9,500) and Vermont (27,000) having the fewest.

The five states with the most tax-credit-eligible individuals account for about 40 percent of all such individuals nationally, according to the report.

Both reports suggest that tax credits are a key part of the Affordable Care Act, helping to put health insurance in reach of working families and low-income residents.

Successful health care reform relies on the majority of individuals obtaining health insurance, including those who are generally healthy. Premiums, available benefits and risk adjustment are determined based on the insured population.

The Kaiser report states that individuals with pre-existing conditions and those in state-based high risk pools will likely join the marketplace earliest, indicating a disproportionately sick population. Higher enrollment levels may suggest a more balanced pool, indicating a more stable health insurance market, according to Kaiser.

Stevenson said the tax credits make marketplace enrollment more appealing to many Utahns. And while "many aren't used to the idea of getting help to buy insurance," he said the system mirrors one that many employers have been using for years to offer insurance coverage to employees.

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