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## Health reform would spare Utahns \$197 million

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A lot is being said about the costs of federal health care reform. But here's another number to consider: \$197.4 million.

That's how much an estimated 147,300 sick and injured Utahns would benefit if the law's caps on out-of-pocket spending were in place today, according to a report released Tuesday by Families USA.

President Barack Obama's signature health overhaul places a ceiling on how much people with health coverage pay out-of-pocket for medical care, not including their insurance premiums. The spending caps are scheduled to go into effect in 2014, but The Lewin Group, a health-analysis firm hired by Families USA, an advocacy group, crunched numbers as if the caps were in place today.

The findings highlight a little-known but key way that the new law will help working Americans, who have seen a steady erosion in the value of their health insurance plans, said Ron Pollack, executive director of the pro-health reform group.

"Two decades of rising health care costs have squeezed families into coverage with higher premiums, higher co-payments and higher deductibles, and sometimes, these costs have forced families out of health coverage altogether," Pollack said.

An unexpected illness or injury can lead to credit card debt, bankruptcy and people forgoing care, he said.

But the Affordable Care Act guarantees that consumers won't have to pay more than an annual set amount for health care services that are covered in the new law's essential-benefits package.

The spending caps are set on a sliding scale based on family income.

If the caps were in place today, the most an individual would pay for covered services would be \$5,950, while the most families would pay is \$11,900.

The cap will be phased in, starting with coverage purchased on government health exchanges; new policies bought outside exchanges; and existing plans that lose their grandfather status under the law — types of plans that cover a majority of Utah's insured, Pollack said.

According to the report, 143,700 Utahns under the age of 65 are in families that will spend more than the out-of-pocket caps this year, and they will spend \$197.4 million above the limits. The lion's share, about 77.6 percent, is in working families in which at least one member is employed.

Those estimates are based on the Medical Expenditure Panel Survey, a set of large-scale studies of health consumer spending done by the U.S. Department of Health and Human Services. And they're conservative, Pollack said.

Had the report factored in medical bills that hospitals write off as charity care rather than families' actual spending, it would have shown 184,000 families saving \$386 million, he said.

Conservatives bemoan the health reform law's expansion of the low-income health program, Medicaid.

But Judi Hilman, executive director of the Utah Health Policy Project, said the irony is that some families faced with mounting medical problems and bills will impoverish themselves in order to qualify for Medicaid.

"As long as Utah puts off the challenge of making private insurance more accountable to the needs of actual mortal consumers, we are effectively growing government, at least when it comes to these families," Hilman said.

The new protections will help those with chronic problems as well as those who receive new diagnoses, such as 32-year-old Andrew Myers, of Moab.

In 2004, while in graduate school at Utah State University, Myers was diagnosed with leiomyosarcoma, a rare form of cancer, and received a crash course on the fine print of his student insurance plan.

It only took a few visits to doctors, radiology scans, a seven-day hospital stay and six weeks of radiation to accumulate nearly \$50,000 in medical debt, which he's still paying — sometimes only being able to afford the interest.

He is now in remission and working as a hydrologist for the federal government, but he doesn't see a clear path from his debt.

"If there had been an out-of-pocket cap when I was going through this, my entire life might be different. Insurance needs and medical debts have driven so many of my decisions," Myers said, noting that after he was diagnosed, he was locked into his student plan and the only way out was to get job-based coverage.

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#### Healthinsurance squeeze

Between 2000 and 2008, Utah's per-capita median income rose 30 percent, while health insurance premium costs grew by 93 percent. As premiums rise, many employers pass on a greater share of the costs to their workers.

As a result, the number of Americans with job-based coverage slipped to 56 percent in 2009, down from 64 percent in 2000.

Small businesses are hurt the most and pay up to 18 percent more than large companies for comparable coverage.

Individually purchased plans on the open market are also four times as likely as employer-based plans to have deductibles of more than \$1,000.

Sources: Families USA report, "Worry Less, Spend Less: Out-of-Pocket Spending Caps Protect Families in Utah," and a 2009 Utah Health Insurance Market Report

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Read the report

O The full report can be found at: <http://familiesusa2.org/assets/pdfs/health-reform/out-of-pocket-spending-caps/Utah.pdf>.

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