

With Obamacare deadline and fines looming, Utahns scurry to enroll

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It's crunch time to sign up for coverage under President Barack Obama's health care law. The website works much better now, but rising premiums and shaken faith among insurers have cast new shadows.

Tuesday is the deadline for millions of uninsured procrastinators to sign up in time for coverage to begin on Jan.

1. As the health insurance expansion enters its third year, their decisions are critical to its economic viability. A surge of younger, healthier customers could hold down premiums in a market that's struggling to grow.

More than half of the health law's 23 nonprofit insurance cooperatives have folded, including Arches Health Plan in Utah, which insured 66,000 before the Utah Insurance Department ordered its closure in October because of cash-flow problems.

The closure might have played a part in the high number of enrollments in Utah this year compared to last, as people whose plans were canceled are forced to shop around again, said Jason Stevenson, education and communications director with the Utah Health Policy Project. By Dec. 5, according to the U.S. Department of Health and Human Services, 53,872 Utahns had signed up for plans in the federal marketplace since open enrollment began on Nov. 1.

And the number is sure to get bigger in the hours before Tuesday's deadline. At Stevenson's organization, which receives federal grants to offer free assistance to those signing up for health care, phones were ringing off the hook Monday, and health care navigators had back-to-back appointments scheduled all day.

"This is probably the busiest week we've experienced" in the three years under the Affordable Care Act, said Randal Serr, director of Take Care Utah, the arm of UHPP that connects consumers with insurance help. He and Stevenson were surprised — but pleased — to see that most people braved Monday's storm to keep their sign-up meetings at UHPP.

Many of those are new to the process. For three years, people have "sat on the sidelines," Stevenson said, not viewing insurance as important and willing to pay the fines. But this round carries the steepest fines yet, which Serr said is the biggest factor driving consumers to healthcare.gov and UHPP. In Utah, each adult without health care will pay \$695, or 2 percent of their income, whichever is higher.

The premiums are also going up, at about 22 percent, according to rates approved by the Utah Department of Insurance.

"People come in with their hair on fire because they hear the rates are going up," Serr said. "But the subsidies are also going up."

The most common kind of subsidies are tax credits, which allow 77 percent of Utahns who enroll to find plans for \$75 or less a month in premiums, HHS said in a news release.

Families might even save money from last year by exploring their options and selecting a different plan, Stevenson said. There are several new options on the Utah marketplace this year, which is why it's important to "shop around," Stevenson said.

Those who would like free guidance doing so can call 800-318-2596, or 211 locally, and visit TakeCareUtah.org. Serr said the insurance navigators assist with every step of the process, even helping some sign up for email addresses for the first time.

There have been bumps with the health law, says business owner Rayna Collins of Lincoln, Neb., but overall she counts on it. She's surprised, however, that many people she knows have remained uninsured.

"It's heartbreaking to think that they could have affordable insurance," said Collins. "They think it's like going on welfare." One friend believed incorrectly that insurers could still turn down customers with pre-existing health conditions, a practice barred under the law.

Collins, a graphic designer, has had to make adjustments. She switched insurers for 2016 because the company she was with left the market. Her premium will be about the same, after subsidies the law provides for private coverage. But her deductible will spike from \$500 to \$2600.

"I'm getting less coverage for about the same, and I'm not happy with that," Collins said. "But I don't know what I would do if I weren't getting the government subsidy. I was already being priced out of health insurance before Obamacare." The coverage allows her to get regular preventive care that's important for people like her, in their early 60s.

The Obama administration says it's seeing a vigorous consumer response this sign-up season, with more than 1 million new customers already.

Still, the administration's sign-up target for 2016, the president's last full year in office, is modest: 10 million people enrolled and paying premiums at the end of the year, an increase of about 10 percent.

Some important things for consumers thinking about signing up for the first time, as well as for those renewing:

- **Deadlines:** Tuesday is the deadline to sign up for coverage so it can take effect on the first of the year. It's also the deadline to make any changes to existing coverage so they take effect Jan. 1. Current customers will be automatically renewed Jan. 1 if they make no changes, but they may save money now by shopping for a plan with lower premiums.

The final deadline for new sign-ups and plan switches is Jan. 31, 2016. After that, new enrollments and changes are only allowed under special circumstances. People who remain uninsured after Jan. 31 risk fines when they file their 2016 taxes.

- **Fines will sting:** The fines for people who remain uninsured in 2016 have gone up substantially. A study by the nonpartisan Kaiser Family Foundation estimates that the average tax penalty will rise to \$969 per household, or nearly 50 percent. The fines are one of the law's methods for nudging healthy people to get insured.

Fines of \$900 would put a serious dent in most income tax refunds, and it's enough money to pay several months' worth of subsidized premiums. This year uninsured people got a second chance to sign up and avoid penalties if they found out about the fines upon filing their tax returns. There's no such reprieve next year.

- **Website working:** The HealthCare.gov website, famously balky a couple of years ago, is working well by most accounts. The site has some consumer-friendly enhancements including a cost calculator, a doctor and hospital look-up feature and a way to see whether your prescription drugs are covered. Consumers are urged to double-check the physician finder results with their plans and doctors.

Ahead of sign-up season, it was expected that premiums for health law plans would go up in most places. A wave of closures among the law's nonprofit insurance co-ops led to more worries. But what really seems to have shaken confidence were recent comments by UnitedHealth CEO Stephen Hemsley that the nation's largest insurer had made a bad decision in expanding into more of the law's insurance exchanges.

Drew Altman, president of the Kaiser Foundation, says the health law's insurance markets appear to be making progress. But they're not there yet.

"It's going to take more people enrolled to be fully successful," Altman said.

Tribune editor Rachel Piper contributed to this report.