



UHPP asks Secretary Tom Price to listen to real story about ACA in Utah

Strong enrollment growth, insurer expansion, and historic coverage gains across the state are real local impacts.

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The Utah Health Policy Project (UHPP) welcomes Health and Human Services Secretary Tom Price, M.D. to Utah as he conducts a healthcare listening tour at Colonial Flag on Monday morning.

UHPP recognizes that Secretary Price isn't looking for good news about the Affordable Care Act (ACA) during his visit to Utah. But by choosing the Beehive State, he has found a place where the ACA is working well despite its political baggage and many implementation challenges.

"It's true that Utahns don't like being told what's good for them by folks in Washington, D.C.," says Matt Slonaker, executive director of UHPP. "But that rule also applies to administrations trying to take away benefits—like tax credits that make insurance premiums more affordable, and the security of quality coverage—that Utah families now rely on. The only promise in the current Senate bill is that Utah families will pay higher out-of-pocket costs for less coverage and fewer benefits, especially those who are older, poorer, and sicker or experience a significant medical event."

We anticipate Secretary Price will mention some negative numbers during his remarks this morning. In response, here are the measures UHPP believes are the most accurate and important to evaluate the ACA in Utah.

Measures of ACA Impact in Utah

- 197,187 Utahns enrolled in marketplace coverage during the most recent open enrollment period. This represents 12.3 percent increase over the previous year and gave Utah the third highest growth rate among the 37 states using healthcare.gov
- 95 percent of Utahns have a choice of two or more marketplace insurers—while 80 percent have a choice of all three insurers. Furthermore, Utah’s marketplace expanded last year as eight Utah counties added a new insurer during the 2016-17 enrollment period.
- 85 percent of Utahns enrolling in marketplace coverage receive a premium subsidy that covers—on average—69 percent of their monthly premium costs. These subsidies mimic the employee contribution found in many employer-based insurance plans. For example, a Draper couple in their mid-20’s with a new baby who earn \$44,000 a year will receive \$348 a month subsidy, cutting their monthly premium for a Silver plan from \$612 to \$264. Note: Subsidies for the individual market did not exist before the ACA and before 2014.
- 109,000 Utahns with marketplace insurance receive cost-sharing reductions (CSRs) that reduce their deductibles and co-pays. For example, a family of four earning \$26,000 a year (109% of poverty) will have a deductible of \$500 a year instead of \$6,000 due to CSRs. Although CSRs provide \$100 million in support to Utah families each year, the Trump administration has used non-payment of the CSRs as leverage against insurance companies to support repeal of the ACA.
- Utah has the nation’s highest percentage (25 percent) of children enrolled in marketplace insurance, and 54 percent of Utah’s marketplace enrollment is under age 35.
- The ten Utah ZIP Codes with the highest ACA enrollment include Lehi, South Jordan, American Fork, Pleasant Grove, St. George, Draper, Spanish Fork, Provo, Riverton/Bluffdale, and Bountiful. Marketplace enrollment in these areas grew at an average rate of 11.4 percent in 2017.
- The uninsured rate in Utah declined 25 percent since 2013 according to the latest U.S. Census data (14 percent, 2013; 10.5 percent, 2015) a—with almost 100,000 Utahns moving from “uninsured” to “insured” since 2013.

UHPP recognizes that enrollment numbers and uninsured rates aren’t the only metrics that matter. Rising costs—both in premiums and deductibles—is a valid criticism of the ACA, including here in Utah.

We also recognize that Utahns who earn above 400 percent of the federal poverty level (\$97,000 for a family of four) are ineligible for subsidies to reduce their premium costs.

We believe, however, that efforts to address rising premiums and deductibles in Utah should be made with accurate information and testable solutions (re-insurance pools, expanded HSA accounts, targeted tax credits)—and not vague talking points.

Accurate Premium Comparisons: 2013- 2017

Because he referenced it in his [Sunday op-ed in the Deseret News](#), we expect Secretary Price to repeat his claim that “[Utah] premiums have increased on average \$1,920 since 2013.” This would be accurate comparison if Utah insurance plans offered in 2013 were similar to plans offered in 2017.

Trust us, they are not.

Back in 2013 Utah insurers could deny coverage, exclude benefits, or raise premiums for people based on their pre-existing health conditions. According to a [2010 study by FamiliesUSA](#), 476,000 Utahns had a deniable pre-existing condition. Insurers could also retroactively terminate a person’s coverage—called a recession—if investigators found minor errors in the person’s initial application. Women were charged more than men, and the 5:1 age ratio allowed insurers to charge older people up to five times more for the same coverage. In 2013 most plans included annual and lifetime benefit caps. They also excluded or restricted benefits like maternity care, mental health coverage, prescription drugs, and hospitalization.

In case you were wondering, the ACA eliminated or alleviated these exclusionary insurance policies starting in 2014. If premiums were lower in 2013, it was because the coverage they offered back then was far skimpier, and the deliberate denial of people with pre-existing conditions benefited the healthy people who were allowed to purchase coverage.

Rising Costs for Small Businesses

We also anticipate that Secretary Price will discuss rising costs for small business health insurance and seek to affix the blame on the ACA. But consumer costs for small business insurance were increasing well before the passage of the ACA in 2010 and they actually slowed after the passage of the law.

According to the [Kaiser Family Foundation’s 2016 Employer Health Benefits Survey](#), the percentage of workers in small firms (0-199 employees) enrolled in a plan with an annual deductible \$1,000 or more [Exhibit F, page 22] increased 30 percentage points from 2006 to 2010, (16% to 46%), and only 19 percentage points during the six years after the passage of the ACA in 2010 (46% to 65%) despite the longer time-frame.

The same trend—slower rates of increase after the passage of the ACA—holds true for average premiums, according to the same Kaiser survey [Exhibit 1.11, page 53]. Average premium amounts for a single employee plan increased 36% from 2004 to 2010, while single-employee premiums increased 27% from 2010 to 2016 after the passage of the ACA. For family coverage, premiums increased 47% from 2004 to 2010, while rates increased 35% from 2010 to 2016--a smaller rise.

In addition, the ACA has not caused a significant reduction in employer-sponsored coverage. According to the Kaiser Survey, 93% of employers with 50-99 workers offered coverage in 2010 [Exhibit F, page 22], while 89% of those employers offered coverage in

2016. Among large employers (100+ employees), the percentage offering benefits declined from 99% in 2010 to 96% in 2016.

Summary

UHPP has been tracking the impact of private insurance reforms for over a decade, and the on-the-ground implications of the ACA since 2010. Through its [Take Care Utah](#) network, UHPP also a lead nonprofit navigator for Utah and co-manages 90+ enrollment assistors working from Brigham City to Payson to Moab and Cedar City. Because we help enroll Utah families, team up with businesses, insurers, providers, policymakers and insurance brokers across the state, and analyze all the latest enrollment and insurance data, UHPP understands where and how the ACA is working in Utah, and where and how it needs to be fixed.

Just as UHPP actively seeks out the glitches and problems associated with the ACA, we hope that Secretary Price can reach beyond today's hand-picked gathering at Colonial Flag to learn more about how this law's expansion of better and more affordable coverage has made a positive impact in Utah. We know many Utahns who are willing to speak with him.

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Media Resources:

[Senate healthcare bill "bad deal" for all Utahns who depend on healthcare](#)
UHPP Press Release
(6/22/2017)

Senate Republican Health Care Bill (H.R. 1628)
<https://www.budget.senate.gov/bettercare>
(PDF) <https://www.budget.senate.gov/imo/media/doc/SENATEHEALTHCARE.pdf>

The Senate health bill is out. Here's your speed read (Axios)

<https://www.axios.com/the-senate-bill-is-out-heres-your-speed-read-2446201141.html>

What's in the Senate's Obamacare repeal bill (Politico)

<http://www.politico.com/story/2017/06/22/gop-health-care-bill-key-points-239858>

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