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New health insurance options more limited in Grand County

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It has been widely reported that Utah residents in need of health insurance will be able to choose from 99 different plans under the new marketplace at www.healthcare.gov.

But it appears that the actual number of plan options dwindles beyond the Ogden to Provo corridor.

Uninsured consumers in Grand County will have less than half as many choices to sort through, or about 40 plans in all, according to Utah Health Policy Project Education and Communications Director Jason Stevenson.

“Counties away from the Wasatch Front generally don’t have the same number of plans,” he said during an Oct. 25 forum hosted by Moab Regional Hospital and the local League of Women Voters.

The range of plans available to Moab-area residents is also more limited.

For instance, more expensive platinum-level plans that cover up to 90 percent of a consumer’s total average health care costs will not be available locally, according to Stevenson.

“There are – just no insurers [that] decided to offer one,” he said.

At the same time, two of the six companies that are selling health insurance in Utah through the new marketplace are steering clear of Grand County altogether. Those companies decided that the market away from the Wasatch Front is just not a good one for them, Stevenson said.

Although he’s disappointed that fewer providers will be serving the area, Stevenson believes the remaining competition will still keep prices down.

“I dare say – I know this is blasphemous – you’re going to have a bit of free market competitiveness,” he said. “They’re going to look over their shoulder to make sure they’re offering you a good deal.”

While Moab residents can expect to pay more for their premiums than someone in Salt Lake County, Stevenson thinks they will still benefit from the changes that take effect in January 2014 under the federal Affordable Care Act.

He favorably compared Utah’s marketplace with those in Vermont and Wyoming, where the cheapest premiums are still more expensive than are the most costly premiums in neighboring Montana.

According to Stevenson’s estimates, a single, non-smoking 30-year-old Grand County resident can expect to pay about \$220 a month for the cheapest

silver-level health insurance plan. That figure rises to about \$250 a month for a single, non-smoking 40-year-old person.

However, both monthly premium amounts could drop considerably, depending on a person's annual income.

People earning between 100 percent and 400 percent of the federal poverty level of \$11,490 will be eligible for tax credits.

Of course, many Americans and their families are already insured through their employers, and the new marketplace-based plans are generally not an option for them.

Instead, the marketplace is aimed largely at the 15 to 20 percent of working-age adult Americans who remain uninsured, for whatever reason.

Local resident Charlie Kulander believes health care reform was tailor-made for people who live in Grand County.

According to the most recent statistics from the Robert Wood Johnson Foundation, 23 percent of Grand County's residents lack health insurance. That compares to an estimated 13.2 percent of Utahns who were uninsured in 2012.

The nation's new health care law currently requires most uninsured Americans to buy insurance through the marketplace by March 31, 2014.

Tribal members, military veterans, members of some religious groups and people who are already insured are exempt from the requirement.

Generally, people who are uninsured after that date will be hit with a \$95 penalty and may have to pay 1 percent of their annual household income if that amount is higher than \$95. (The penalty will increase over time.)

Stevenson estimates that about 2.5 percent of uninsured Americans will opt to pay the penalty, and he suspects that number will be higher in Utah.

The penalty is in place, he said, to help offset the costs that uninsured patients incur for medical care..

As it is, privately insured Americans are subsidizing uncompensated care by paying higher premiums, according to Judi Hilman, a spokeswoman for Arches Health Plan. By her estimates, premiums are 11 percent to 20 percent higher under the status quo.

"It's a lot," she said during an earlier Oct. 23 forum on health care reform.

The so-called individual mandate that requires most uninsured people to buy coverage is one of the more controversial aspects of the nation's new health care law. Yet Hilman and Stevenson agree that the concept is vital to long-term goals of lowering health care costs.

That's one reason why Hilman and others in the industry are pushing to register "young invincibles" – uninsured Americans between the ages of 18 and 34.

To keep their premiums at reasonable rates, insurance companies need young and healthy people to sign up for coverage. The thinking goes that those young people will keep the insurance pool from becoming too lopsided with older and less healthy individuals.

"If you don't get the young people [to register], it creates an unsustainable risk spiral for the insurance companies," Stevenson said.

Almost 40 percent of young adults went without health insurance in 2011, and over one-third of those people had problems paying their medical bills or medical debt, according to The Commonwealth Fund. They often used up their savings, took on credit card debt, fell behind in their rent or delayed their educational and career plans to catch up on their payments.

"For young people, we often say, 'Health insurance is not health insurance. It's financial insurance,'" Stevenson said.

For more information about the non-profit Utah Health Policy Project, go to: www.healthpolicyproject.org/.

Stevenson also encourages people to visit the Henry J. Kaiser Family Foundation's website at: <http://kff.org>. On the home page, visitors will find a link to a calculator that will give them rough estimates of potential insurance costs and subsidies.

Residents can also call the Moab Free Health Clinic at 435-259-1113 if they'd like to set up a time to meet with someone who can guide them through the insurance application process.

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