



Utahns

SPEAK UP



The Underinsured:

Self Employed Couple Has Few Choices for Health Insurance

JB and Jeff buy their health insurance in the individual market—their only option because they are self-employed. After repeatedly being turned down because of JB’s pre-existing conditions, they finally found a high deductible “family plan” with an HSA (health savings account) —but the plan excludes all pre-existing conditions. That means that none of the money JB spends on her required prescription medications apply to their plan’s \$5150 deductible. Together their out-of-pocket medical expenses drain their Health Savings Account (HSA) every year. If an unforeseen medical need arises they will have no money left in their HSA to pay for care. The couple used to get insurance through Jeff’s employment: “If I had known what we would have encountered in the health insurance industry I wouldn’t have supported Jeff in his decision to become self-employed” mused JB.

On top of the high out of pocket expenses, JB and Jeff’s premium has increased by 29% for two years in a row and now is 25% of their income. JB says they keep the insurance to avoid going bankrupt if one of them has a catastrophic illness, but she worries that it wouldn’t even be covered if it happens: “I am terrified to go to the doctor. What if they find some new pre-existing thing that will get dumped on my dossier?” Unfortunately for many Utahns who buy their insurance in the individual market, the hidden costs of inadequate health insurance can lead to bankruptcy even without a catastrophic illness.

Federal Health Reform (the Affordable Care Act) will help people buy insurance through the American Health Benefits Exchange

- In 2014 individuals will be able to buy certified quality health insurance in the new individual health exchange.
- In 2014, new affordability standards mean that individuals with incomes up to 400% of the Federal Poverty Level (\$43,560/year) will never spend more than 9.5% of their income on insurance premiums.