

Waiting on 'young invincibles'

By Daphne Chen | Posted Apr 24th, 2016 @ 9:03pm

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SALT LAKE CITY — Marlena Thompson and her husband have been married for five years and just welcomed their first child into the family.

But living in an apartment in the Marmalade District pulling in about \$2,000 a month from the husband's furniture-making job, and struggling to save up enough money for a down payment on a house is not exactly where they thought they would be.

One of the things that had to go? Health

insurance.

"I feel like it's a necessity," Thompson said. "I feel like not being able to afford prescriptions that you're prescribed is a real shame."

But Thompson, 25, and her husband, 27, are young and healthy. So they are rolling the dice for now, until they can find an insurance plan that is affordable.

They are among the "young invincibles" — a term for the millions of young, healthy adults ages 18-34 who are the most desired demographic for any insurance company.

Young invincibles pay their premiums but use very little health care. They subsidize the cost of older, sicker Americans. They are essential for any well-functioning health insurance system.

The only problem?

They aren't signing up.

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When it comes to a healthy individual market, the Kaiser Family Foundation estimates "young invincibles" should make up at least [40 percent](#) of the mix.

As of February, according to the U.S. Department of Health and Human Services, they make up [28 percent](#).

Dan Schuyler, an analyst with Leavitt Partners, said that figure isn't really surprising.

Imagine this: You're a 27-year-old single individual with no kids. You earn \$40,000 a year, meaning you're not eligible for any subsidies.

The least expensive silver plan — the most popular kind — would cost \$2,412 a year in premiums with a \$2,000 deductible, according to [Schuyler's calculations](#).

The least expensive catastrophic plan would cost \$2,088 a year in premiums with a deductible of \$6,580.

"For somebody who's only making \$40,000 trying to pay college debt or saving for a house, it's a difficult proposition for them to consider buying insurance," Schuyler said. "We just haven't done a satisfactory job of communicating to the young and healthy the reason why they need insurance."

For Melanie Skankey, a 27-year-old mother of two from Saratoga Springs, the family “would have to have some serious, serious medical problems to make it worth it.”

Between her part-time teaching gig and her husband’s GIS mapping job, the family pulls in about \$4,000 a month.

Skankey said she filled out an application on [healthcare.gov](https://www.healthcare.gov) and was told the family didn't qualify for any subsidies. The cheapest plan was \$550 a month for a \$10,000 deductible.

“I was like, ‘This is silly,’” she said.

Skankey knows it’s important to be insured. When her first daughter was born, she had to get braces and make extra doctor’s visits for hip dysplasia. At the time, the Skankeys were insured and hit their \$8,000 deductible with ease.

If something like that happens again, they’ll be out of luck.

She and her husband are unsure what to do. They’re trying to save up enough money to buy a house. And they originally planned to have a third child. That's now on the back burner, and Skankey is considering going back to work for the health benefits.

"We both tried to study in fields that were high market potential so that when we graduated, we could stop eating ramen noodles every night," Skankey said. "And we're still in the same place a year later.

"We might end up insuring the girls," she added. "And then we're big, tough adults, I guess."

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For individuals and families, the consequences can be severe.

As an emergency physician at the University of Utah, Dr. Troy Madsen sees it all when it comes to young invincibles: Concussions. Broken bones. Torn ACLs.

Madsen tries talking to patients about getting health insurance. But "I don't know how successful (the discussions) are," he said.

"The challenge becomes if something happens, it really is a gamble because the bills from that sort of thing can be so big," Madsen said.

Walk into the ER and you’ll get a \$500 bill before having a single procedure or tests done, he said. Get an X-ray or MRI and watch another few thousand dollars get tacked on. Go in for an operation? Be prepared for a \$5,000 to \$10,000 hit.

Madsen says it’s even more common to see young adults come in with illnesses that could have been avoided if they had gotten preventive care. That includes simple infections that turn into oozing abscesses, high blood sugar from untreated diabetes and asthma that flares up because they haven't been taking their medication.

Chase Harrison, a 26-year-old college graduate who just found employment as a blogger for a marketing company, decided he didn’t want to take that risk.

Harrison is trying to save enough money to move out of his mom’s house, do a little bit of traveling, and have enough money left over for the weekends.

“Nothing super exorbitant or anything," he said. "A Saturday matinee is enough for me."

Harrison worked with a broker and found a plan on the marketplace for \$182 per month with a \$6,800 deductible.

That seemed high, and he balked. For a minute, he wondered whether he could get away with not buying insurance.

"To me, that doesn't come across as being lazy and socially irresponsible," Harrison said. "It's just that for a lot of people, you have to draw the line somewhere if you're on a limited budget. And I can see that as being one of those things that would easily go."

Harrison ended up buying the plan because he didn’t want to incur a fine. But he still wonders if it was worth it.

"I haven't been sick enough to need to go to the doctor for five years," he said. "I don't have any reason to need insurance other than getting struck by a bolt of lightning."

Part of the issue is misinformation, said Jason Stevenson of the Utah Health Policy Project.

People like Harrison appear to be stuck in what's called the coverage gap. Because Utah didn't expand Medicaid, Harrison doesn't qualify for federal aid or for subsidies.

But families like the Thompsons and Skankeys should qualify for several hundred dollars per month in subsidies, Stevenson said.

Using the window-shopping tool at healthcare.gov/see-plans, Stevenson pulls up a silver plan for a family of four that would cost \$322 a month with a deductible of \$2,300.

Skankey didn't know about that tool. She said she filled out an application on the website and received an email shortly thereafter saying that she doesn't qualify for any subsidies.

For the Thompsons, Stevenson found a SelectHealth plan for \$52 a month with no deductible.

But Thompson didn't spend much time on the site because it was so difficult to navigate, she said. Nor did she know that Take Care Utah, a program run by the Utah Health Policy Project, has navigators on hand for free assistance.

"You'd think that I would be much more able to navigate that site," said Thompson, who used to work — ironically enough — at an insurance company.

"Not only are there tons of different websites claiming to be the website you need to be on, (but also) to walk through it, it's pretty confusing," she added.

Thompson and her husband have decided to apply for Medicaid instead, though it's not certain whether they're eligible.

She's worried about her husband, who has stopped taking his ADHD medication because it's too expensive. Thompson said she can tell he is growing more distracted and less effective.

"I feel like we're doing well enough that it shouldn't be federal aid at this point," Thompson said. "But the pharmaceutical companies are so out of control that at this point, yes, young people who are average young couples need federal aid."

Navigators and insurers need to do a better job at helping young adults, Stevenson acknowledged. But he said that negative perception about the Affordable Care Act has also turned many young adults against the marketplace.

"This is the biggest barrier we have with young invincibles — the fact that they're getting inaccurate information or not getting an accurate representation of what kind of insurance they could get," Stevenson said.

Schuyler says health officials and insurers need to make a better pitch to young adults — and fast.

On Tuesday, one of the nation's largest insurers announced it would [pull out](#) of Obamacare exchanges in 2017, citing concerns about their profitability.

Schuyler called UnitedHealth Group's exit a "major concern."

If more healthy people don't sign up soon, insurers will continue to lose money on patients, he said. That means carriers will continue to raise prices to make up for the loss. And that will make health insurance even less appealing to young adults, starting a vicious cycle that analysts call the "death spiral."

"If we don't fix this problem, all the carriers are going to be in jeopardy," Schuyler said.

He said the administration should consider allowing more flexibility and innovation by loosening the essential benefits requirements so insurers can tailor plans for young adults.

Insurance companies and navigators also need to do more to get the message out to youths, he said.

Lastly, lawmakers have to start addressing the issue in a nonpartisan way, according to Schuyler.

"The premise of Obamacare makes sense, but you've got to address the shortcomings and problems," he said.

“The conversation,” he added, “needs to start now.”

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Take Care Utah

This network of 90 navigators and enrollment specialists offers statewide enrollment help for health insurance. Visit takecareutah.org or call 211 for free help.

At 33%, Utah has the nation's highest percentage of 18-34 year olds enrolled in ACA marketplace insurance. And the enrollment tally for Utahns aged 0-34 is 55% of the marketplace... also the highest in the nation. Here in Utah we are doing a good job at signing up children and "young invincibles" for health insurance. Can we do better? Definitely. But as this article explains, too many Utahns of all ages are dealing with wrong information, bad advice, and preconceived notions that ACA insurance won't help them... when actually it can make them healthier and more financially secure. If you have questions about health insurance or want to know where to sign up, contact the nonprofit network at Take Care Utah (www.takecareutah.org). They will answer your questions, tell you what you qualify for, and help you sign up for insurance... all for free. -UHPP