How Will Increasing Healthcare Costs Affect Utahns?

By ERIK NEUMANN • OCT 26, 2016

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November 1 marks the beginning of open enrollment for health coverage through the Affordable Care Act. Officials from the U.S. Department of Health and Human Services announced this week that premiums for consumers around the country will increase. What does that mean for Utahns?

A big reason for the increased rates at healthcare.gov is that insurance companies are trying to recoup the costs of an initial wave of people with chronic illnesses who enrolled back when the program started. For people in Utah, the rate increase isn't as bad as it sounds.

Jason Stevenson works with the Utah Health Policy Project, a group focused on making health insurance more accessible for underserved people in the state. He says whether or not you see a rate increase comes down to one word: subsidies.

"The subsidy has gone up a lot compared to the average rate increase. So, there is definitely a gap, and some people might pay more, but we're also seeing some people are going to be paying less next year," Stevenson said.

What individuals pay will depend on their personal situation: which insurance provider they have, the size of their family and how much money they make.

There's no sweeping answer for the changes. But the majority of Utahns who have insurance through Obamacare will get subsidy support.

"About 87 percent of Utahns who sign up for insurance in the marketplace get subsidies. And those subsidies cover 70 percent of their premiums," Stevenson said.

The solution to balancing out these rate increases is mainly just time. As more healthy people sign up for Obamacare they'll balance out the costs of individuals with health problems and the rates should level out.

Additional resources for signing up during open enrollment are available here.