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Early bronze plans show high out-of-pocket costs

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By: Anthony Brino



Out-of-pocket costs for bronze-level individual health plans under the Affordable Care Act may be higher than current plans on the market, according to a study by HealthPocket.

Co-pays for bronze health plans may be as much as 46 percent more than in current plans and co-insurance may be 13 percent higher; [the consumer healthcare website](#) estimates, based on an analysis of publicly available rate filings in California, Connecticut, Ohio, Oregon, Rhode Island, Vermont and Washington.

A lower-premium option geared toward the young and healthy buying individual or family insurance in public insurance exchanges, bronze plans will be required to cover 60 percent of medical expenses. But how that translates into co-pays, drug fees, deductibles and other out-of-pocket expenses may vary by the health plan, HealthPocket researcher Kevin Coleman said.

Among 9,727 plans in the current individual and family market, Coleman found a national average co-payment of \$28 and a doctor's visit co-insurance rate of 24 percent. The average among the seven states' bronze plans was a \$41 co-pay and a 27 percent co-insurance fee for a doctor's visit. For medical services, the co-insurance fee was a bit larger — 33 percent on average for bronze plans, compared to a national average of 20 percent in the pre-reform market.

Although comparing the pre-reform market to one that's not yet established is difficult on an "apples to apples" basis, Coleman wrote in a blog post, the higher out-of-pocket costs may accelerate a trend already in place — patients avoiding or declining medical visits.

Amid increasing out-of-pocket costs and stagnating incomes, Americans have been visiting the doctor at an average rate of 3.9 times per year in 2010, down from 4.8 visits per year in 2001, according to the U.S. Census. In another recent HealthPocket survey, 41 percent of respondents said they would see a doctor less often if they were charged a \$50 co-pay.

Deductibles, at least on their face, may also be a bit more in bronze plans. In the seven states analyzed for bronze plans, the current market average for individual and family plan deductibles was \$3,589 — compared to the average for bronze plans, \$4,509.

That, too, is a difficult comparison, though, since the ACA caps annual out-of-pocket costs for exchange plans, at \$6,350 for bronze plans. The average out-of-pocket limit in the seven states with publicly-available exchange plan rates was \$6,324 for bronze plans.

While rate information from other states might change the current findings, Coleman said, the study does serve as a good baseline for tracking cost changes.

“Depending on an analyst’s political leanings, the phrase ‘pocket shock’ may be used with respect to the bronze plans’ cost sharing but the reality is more ambiguous,” Coleman wrote, noting the more comprehensive coverage mandated through essential health benefits and the income-adjusted premium assistance available.

An open question for the bronze plans, he said, “is whether these plans will be approved in their present form and how consumers will react to them. Ideally, consumers will view premiums and out-of-pocket costs together rather than in isolation from one another. Consumers dissatisfied with the bronze plans’ level of cost-sharing have the option of other metal plans with less expensive cost sharing but face more expensive premiums for these plans.”