

Skimpier health plans could be costly

By Michelle Andrews, NPR

People are worried about being able to pay for health insurance. So the insurance industry and a group of Democratic senators have proposed offering cheaper, skimpier “copper plans” on the health law’s marketplaces that could draw in people who were unhappy with the cost of available plans.

But consumer advocates and others who study the insurance market suggest that there may not be a big demand for these plans and that they could expose people to unacceptably high out-of-pocket costs if they got sick.

“It’s a false promise of affordability,” says , project director at Georgetown University’s Center on Health Insurance Reforms. “If you ever have to use the plan, you won’t be able to afford it.”

Coverage through the Affordable Care Act is divided into five types of plans that require different levels of cost-sharing. Platinum plans pay 90 percent of medical expenses, on average; gold plans, 80 percent; silver plans, 70 percent; and bronze plans, 60 percent. Tax credits to help pay premiums are available for people with incomes up to 400 percent of the federal poverty level (\$46,680 for an individual in the 2015 plans). In addition, a catastrophic plan is available, mainly to people younger than 30; it covers only limited services before the deductible is met and isn’t eligible for subsidies.

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