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The Affordable Care Act: Engaging Youth

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A change brought about by the Patient Protection and Affordable Care Act (ACA) is that young adults can be covered by their parents' health insurance plans until they turn 26. However, perhaps less well understood is how the law will engage these young adults once they turn 26 and persuade them to purchase insurance on their own. The alarm that has been raised is that young adults will be less likely to purchase insurance due to many reasons that include: the expense of insurance plans, their infrequent healthcare needs, and the limited penalty fee of \$96 for not buying insurance during the first year of the mandate. This issue is of significant concern to the success of the ACA as a policy, as it is having these young healthy people in the health insurance pool that allows the risk to insurers to be disbursed and allows them to offer affordable health insurance plans to everyone else. So this begs the question, how can the government incentivize young people, who are often referred to as the "young invincibles", to purchase insurance they may view as unnecessary or expensive?

It is interesting to note that the assumptions that are made about young adults' intentions of not buying health insurance may not be completely true. According to a Kaiser health tracking poll from June 2013, 71% of young adults ages 26-30 say that it is very important to them personally to have health insurance and 74% say that health insurance is something that they need. Also working in the favor of the policy is the fact that of all age groups, young people show the most support for the ACA. A poll by the Gallup organization from summer 2013 showed 44% of people ages 18-34 approve of the ACA. However, despite this apparent desire to have health insurance, young Americans constitute the largest group of Americans that remain uninsured. This high rate is due in part to the fact that they are mostly healthy and work low wage and part-time jobs that do not offer insurance. In Missouri the uninsured rate for 18-14 year-olds is 25% compared to 28% nationally. Potentially adding to this already high rate of uninsured young people, Missouri has opted not to expand Medicaid to individuals whose income falls below 133% of the poverty level. This action has eliminated potential coverage for many young adults through Medicaid. However, there is an alternative to regular health insurance available to young adults under the ACA. People up to age 30 will be allowed to purchase catastrophic health insurance plans through the health insurance marketplaces. These plans differ from regular health insurance plans as they have low premiums, high out of pocket costs, and only cover major health issues. These plans will be available for purchase through the insurance marketplace and they will cover three physician office visits per year and preventive services without cost-sharing before the deductible. Young adults are allowed to buy these types of plans because they typically have lower risk of health issues and lower use of healthcare services.

Recognizing the need to motivate and inform the young population about health insurance, President Obama and the Secretary of Health and Human Services, have launched an advertising campaign. The campaign highlights the high costs of paying for medical care out of pocket and how insurance and government subsidies can help offset these costs. Additionally, the federal government is pairing up with smaller organizations such as Planned Parenthood and a nonprofit called YoungInvincibles.org to get the word out about the benefits of health insurance. The government is working with YoungInvincibles.org to carry out a filmmaking contest, through which young people will create films highlighting the benefits of health insurance and the inaccuracy and risk associated with assuming that they are invincible. These organizations are utilizing social media outlets that are used by the younger population such as Facebook, Twitter, and applications for cellular phones to get the word out. The necessity to engage youth is happening at a local level as well. States that are running their own insurance marketplaces are trying to increase enrollment through their own campaigns via social media and advertisements.

While these informational campaigns are useful in engaging youth, it did not become clear until recently how much young people can expect to pay for insurance on the new marketplace. The US Department of Health and Human Services released a report at the end of September estimating insurance cost specifically in states with federally run health insurance marketplaces. The report estimates that young adults will have an average of 57 health plans to choose from, including catastrophic plans. It also includes more detailed information about costs in each state and as a weighted average across all states approximates that a catastrophic plan will cost a young adult (27 years old) \$129 before tax credits. This report could serve as a useful tool for those young invincibles who are engaged and are planning to purchase health insurance.

References

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