Costs Kept Low in Obamacare Plans Through Less Choice

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The new insurance marketplace health plans that are the signature of the Affordable Care Act (ACA, or 'Obamacare') are able to keep premiums lower by tightening networks of physicians and hospitals and by paying less for medical care, The New York Times reports.

On October 1, the open enrollment period will begin for Americans to finally begin shopping for health plans through the ACA, with coverage beginning January 1 at the earliest. (Click here for information on how to find coverage.) While the ACA will forbid refusing insurance to anyone with a pre-existing condition, including HIV and hepatitis C, those consumers with complex medical conditions may find it difficult to select a plan ideal for their needs if insurers have shaved away doctors that might service their care.

The Times quotes Adam M. Linker, a health policy analyst at the North Carolina Justice Center, who said, "[U]nder some health plans, consumers can end up with astronomical costs if they go to providers outside the network."

A study conducted by the Health Research Institute of PricewaterhouseCoopers found that insurers excluded "major medical centers" when designing networks of health care providers in such states as California, Illinois, Indiana, Kentucky and Tennessee.

While the cost of premiums will vary from state to state, many Americans will be able to purchase plans for less than $300 per month. After factoring in federal subsidies, the cost of such plans may fall to less than $100 a month.

To read the Times story, click here.

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