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## Insurance premiums stable, but out-of-pocket health costs rising

By **Jenny Deam** Published 7:05 pm, Monday, October 10, 2016

The good news for consumers is that the cost of premiums for employer-sponsored health insurance rose only modestly in 2016, in keeping with recent trends, a new health care economic study shows.

But the bad news is that the low price is often now being offset by rapidly rising out-of-pocket costs as more and more workers are steered into high-deductible plans that force them to pay thousands of dollars upfront before their coverage kicks in, according to findings in the **Kaiser Family Foundation** 2016 Employer Health Benefit Survey, released Wednesday.

"We're seeing premiums rising at historically slow rates, which helps workers and employers alike, but it's made possible in part by the more rapid rise in the deductibles workers must pay," said **Drew Altman**, president and CEO of the foundation, which has released an annual snapshot since 1999.

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The average overall price of family premiums rose 3 percent in 2016 to \$18,142 per year. On average workers contributed \$5,277 toward that premium, typically through payroll deduction. Last year, the cost of comparable premiums increased 4 percent, reflecting a general flattening from past years when the costs were spiraling upward quickly. The study showed, for instance, that premiums shot up 63 percent between 2001 and 2006.

Yet during those years a new insurance product shifting more health care costs onto workers was becoming popular.

In 2016, 29 percent of the nation's workers were in high-deductible plans, often connected to health savings accounts. In 2006, only 4 percent were in such plans.

High-deductible plans keep premiums lower, but they also are designed to force employees to have "more skin in the game," making them more cost-conscious as they seek medical care, Altman said Wednesday.

This year, 83 percent of workers have some kind of deductible as part of their employer-sponsored health plan.

Over the past five years the average amount of a single deductible rose to \$1,478, up from \$991 in 2011, the Kaiser study showed.

For some lower- and middle-class enrollees, the rapid rise in out-of-pocket costs is proving to be a significant burden, leading in some cases to "depressed utilization," Altman said.

That means people aren't just deciding to find cheaper services, they are skipping or delaying treatment altogether.

In an separate survey, nearly one in three insured Texans reported they had decided against or postponed a doctor visit or treatment because of out-of-pocket costs, according to Vitals, a national online tool to compare health care costs.

In July, Vitals polled 500 insured adult Texans who had insurance through work, or bought it through the Affordable Care Act exchange or on their own.

The number of people who skipped care rose to almost one in two among those who had high-deductible plans, that survey showed.

Altman noted that out-of-pocket costs have been rising, while wages were not.

While the Affordable Care Act plans typically get most of the news coverage, he added, the vast majority of Americans still get their insurance through their work, making trends in employer-based coverage important to consumers.

"It is by far the single largest part of the health insurance industry," Altman said.

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