



Written by [Raven Clabough](#) on March 19, 2014

Study Shows Many Americans Will Opt Out of Insurance

A report by Bankrate.com reveals some news that reflects very poorly on the new healthcare law. Approximately one third of Americans who are currently without health insurance intend to stay that way, citing cost as the primary reason.

Bankrate.com insurance analyst Doug Whiteman contends that the main problem is that Americans remain unfamiliar with the details of the Affordable Care Act and are unaware of the subsidies that are provided under the program.

“This is a staggeringly high percentage,” said Whiteman. “The government has spent over half a billion dollars promoting the Affordable Care Act, and more than two-thirds of uninsured Americans still don’t know about the subsidies.”

But that assumes that those Americans would even qualify for the subsidies provided under the program.

Unfortunately, that is not the case.

Newsmax reports:

A new subset of uninsured people is finding it doesn’t fit into any of the affordable healthcare plans offered through the Affordable Care Act.

Many middle-class Americans are falling through the cracks after being dumped into the Obamacare marketplace. They can’t get a subsidy because they earn too much, and they can’t find an insurance plan they can reasonably afford, forcing some to make a tough decision: to go without health insurance.

Those impacted are mostly young and healthy and therefore tend to opt out of health insurance, which will certainly negatively impact the costs associated with ObamaCare.

As Fox News reports, “Experts say the health care program needs 40 percent of all enrollees to be between 18 and 34 years old — a prized demographic known in the industry as the ‘young invincibles.’ They are considered young, healthy and relatively cheap to care for and are necessary to subsidize older and more expensive enrollees.” In order to keep prices on those plans affordable, ObamaCare proponents are pushing to get seven million or so people enrolled by 2014, and in particular are hoping to see nearly three million young adults sign up.

Despite this goal, however, many young people simply cannot afford the costs of insurance. A key provision in the healthcare law states that insurers must charge older Americans no more than three times what they charge younger, healthier adults. The result of this is that young adults are now facing higher premiums than prior to the implementation of the healthcare law, and naturally they are not keen to pay the hiked rates.

Meanwhile, millions of insured Americans lost their insurance last year, receiving letters from their





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insurance companies stating that their current plans had not satisfied the requirements of the Affordable Care Act.

“It’s certainly a fact that if it’s more than a minimal amount of people who had coverage, lost it, and can’t get it again, and who looked at the options on the individual market and said ‘I can’t afford it,’ the marketplace will be damaged,” Joseph Antos, the Wilson H. Taylor Scholar at the American Enterprise Institute, told Newsmax.

President Obama assured Americans that they would witness their deductibles drop for a family of four by \$2,500, but in reality, the cheapest deductible for the minimal-coverage Bronze plans listed on the healthcare website are averaging over \$5,000. Newsmax notes, “That’s 42 percent higher than the \$3,589 average deductible for individual plans in 2013.”

And according to the *Wall Street Journal*, deductibles can be as high as \$12,700 for some households.

Mark V. Pauly, professor of healthcare management at the Wharton School of the University of Pennsylvania, predicted that at least some Americans who find themselves deciding between high premiums or no insurance would simply forgo insurance.

“I think there is a good chance we will see that happen because the penalty for not having insurance is small compared to the premium for a low-deductible plan.”

Still, Bankrate.com’s survey attributes the lack of knowledge of the healthcare law as the reason for so many people opting out, citing statistics such as approximately 45 percent of those surveyed did not know about the March 31 enrollment deadline.

The report’s findings reveal that lack of knowledge regarding the tax credits was highest amongst Republicans and those in the West and the South.

The report also revealed that approximately 17 percent of those who were opting out of insurance did so because of their opposition to the healthcare law, which is in fact the second most common reason cited in the survey.

Perhaps the most devastating for the Obama administration is that nearly one third of those between the ages of 18 and 29 do not intend to obtain insurance.

According to Deborah Chollet, a health insurance researcher at Mathematica Policy Research, the lack of knowledge pertaining to the healthcare law is ironically a result of the government’s focus on getting information on ObamaCare out to those under the age of 30, who seemingly have no intention of signing up for insurance.

“Low-income, young families may have been overlooked. They’re probably not spending a lot of time watching television, they never read a newspaper and if they listen to radio it’s probably music in the car,” she is quoted as saying. “In communities of color, people might hear about [Obamacare] in church, but for people who are not attached to a church, I don’t know how they get the information,” Chollet continued.

Meanwhile, the results of Bankrate.com’s survey are just some of many findings that are making it difficult for the Obama administration to tout the benefits of the president’s signature law.

For example, even as the purpose of the new healthcare law was to insure the uninsured, a survey published by the consultancy firm McKinsey & Co. found that just 27 percent of new enrollees were actually uninsured before signing up for insurance.



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Further, just one in 10 Americans who are eligible for ObamaCare have chosen to enroll, according to McKinsey.

A Gallup Poll released earlier this week reveals that though the number of uninsured Americans has dropped from 17.1 percent at the end of 2013 to 15.9 percent today, the number was actually lower before Obama took office, standing at 14.4 percent.

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