Older Tobacco Users Pay More for Health Insurance under Affordable Care Act

Smokers faced with choice to either lie about tobacco use or pay surcharge

ATLANTA – October 8, 2015– A new study finds tobacco users would pay more for a health insurance plan from the Affordable Care Act exchanges than non-tobacco users in nearly every county of the 37 states that used healthcare.gov to sell their plans in 2015. In some instances, tobacco users would pay up to 46% more. The authors say future research may determine how many enrollees facing these surcharges will simply decide not to be truthful about their smoking status, or perhaps avoid buying health insurance altogether. The study appears early online in the *American Journal of Public Health*.

Age-dependent tobacco surcharges of up to 50% are allowed under the Affordable Care Act. In 2014, few health insurance plans sold in the Affordable Care Act's Federally Facilitated Marketplaces imposed tobacco surcharges, possibly because of a system glitch. But in 2015, more plans began implementing tobacco surcharges that increase with age.

To learn how many insurance plans were implementing the optional surcharge, researchers led by Alex C. Liber, MSPH, data analyst in the Economic and Health Policy Research program of the American Cancer Society, measured tobacco surcharges around the country in 2015, and found wide variation. Surcharges for the least expensive "bronze" health insurance exchange plans varied greatly in magnitude and manner across age as well as within and between states.

For example, a 55-year-old tobacco user in Oregon would pay about 2% more for the least expensive plan (before subsidies) than would a nonuser, whereas in neighboring Nevada, the same tobacco user would pay about 46% more for the least expensive plan than would a nonuser. Even within the same state, differences persist; a 50-year-old tobacco user in San Antonio, Texas, would pay 10% more, whereas that same person living in nearby College Station, Texas, would pay 32% more for the least expensive bronze plan.

The authors say the study underscores concerns that older tobacco users will find post-subsidy health insurance premiums difficult to afford, and raises the possibility that tobacco surcharges may dissuade tobacco users, particularly older users, from buying health insurance.

"Our study shows these premiums vary almost randomly across the country and strike some people very hard, while they aren't being imposed at all on others," said Liber. "These surcharges are likely to harm older tobacco users, the very ones who are most likely to become sick due to their smoking. So older smokers are faced with a choice to either lie about their tobacco usage to their insurance company and possibly their physician, or they can try to pay the surcharge and bear the financial burden of heavy monthly premiums that do not provide them with any extra benefit."

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Article: Tobacco Surcharges on 2015 Health Insurance Plans Sold in Federally Facilitated Marketplaces: Variations by Age and Geography and Implications for Health Equity Am J Public Health. Published online ahead of print October 8, 2015: e1–e3. doi:10.2105/AJPH.2015.302694