

Bronze, Silver, Gold, or Platinum: How to Choose the Right Level of Coverage

Summary

The Affordable Care Act (ACA) requires that your state's Marketplace offer health plans in "metal tiers." This fact sheet explains the different levels of coverage associated with the metal tiers to help you better compare health plans.

Why are health plans labeled as different metals?

Most health plans offered through your state's Marketplace are labeled with a **metal tier**: Bronze, Silver, Gold, and Platinum. The metal is used to signal how generous the plan coverage will be. The more valuable the metal is, the more the plan will pay for the coverage. Bronze represents the lowest level of coverage (except catastrophic plans, see below). Platinum represents the highest level of coverage.

What does "metal tier" mean?

The metal tier labels represent an estimate of how much a plan will pay for care for a group of enrollees as a whole. It is **not** based on what you specifically will pay – it is an estimate, based on a population's use of health care services.

The higher the metal level, the more the health plan will pay for your care overall. The lower the metal level, the more **you** will have to pay for your care.

Do I pay higher premiums for a higher metal level?

Yes, usually monthly premiums will be higher in the Gold and Platinum level plans. Premiums will be lower in the Bronze and Silver level plans.

How does a higher metal tier affect how much I pay when I get care?

You will actually pay **less** at the doctor's office if you have a higher metal level. The amount you pay for a doctor's visit, medicine, or a hospital stay goes down when you have a higher metal level.

The lower the metal level, the more you have to pay at the time you use your services.

| Metal Tiers show how much <i>you</i> will have to pay for your care | | |
|---|----------|--------------|
| | Premiums | Cost-sharing |
| Platinum Plans: | Highest | Lowest |
| Gold Plans: | Higher | Lower |
| Silver Plans: | Moderate | Moderate |
| Bronze Plans: | Lower | Higher |
| Catastrophic Plans: | Lowest | Highest |

Can you explain the cost differences between the different metal tiers?

Let's look at some examples that will show the cost differences between the metal tiers. In Table 1, you can see what it might cost for monthly premiums, a visit to the primary care doctor, a non-preferred brand drug, and an urgent care visit with a plan at each metal level.

Table 1: Sample costs for a 40-year-old in San Francisco in a Kaiser Health Plan for 2014

| Metal Tier | Monthly Premium | Primary care doctor visit | Non-preferred brand drug | Urgent care visit |
|------------|-----------------|---------------------------|--------------------------|-------------------|
| Bronze | \$289 | \$60 | \$75 | \$120 |
| Silver | \$387 | \$45 | \$70 | \$90 |
| Gold | \$470 | \$30 | \$70 | \$60 |
| Platinum | \$506 | \$20 | \$15 | \$40 |

In the example above, you can see that the monthly premium goes up as the metal level gets higher. At the same time, what you pay out-of-pocket for a doctor’s visit or prescription goes down.

So, if you buy a Bronze plan, you will pay **less** for your premium each month. But if you go to the doctor, you will have to pay **more** at each visit.

If you buy a Platinum plan, you will pay **more** each month in premiums, but you will pay **less** at each doctor visit.

Why should I look closely at the Silver level plans?

If you have household taxable income that is less than 250% of the federal poverty level (“FPL”), you can get extra financial help (known as “cost-sharing reductions”). But you can get that help only if you buy a Silver plan through your state’s Marketplace. When you qualify for extra help, you get what’s called cost-sharing reductions. The coverage you can get is more generous than the regular Silver plan.

| For 2016 Marketplace health plans | |
|-----------------------------------|--------------------|
| Family size | Income at 250% FPL |
| 1 person | \$29,425 |
| 2 people | \$39,825 |
| 4 people | \$60,625 |

The chart to the right gives you an idea of what income level you must have to get this kind of financial help.

If your income is below the amounts shown, you may qualify for a lower cost Silver plan through your state’s Marketplace. This financial help is in addition to any tax credits you are eligible for.

If you meet the income guidelines for cost-sharing reductions in a Silver plan, your cost-sharing will be lower than the regular Silver plan. But your premium will be the same as

you would pay for a regular Silver plan. The lower your income, the more financial help you will get. Here is how it works:

Table 2: Sample costs for a 40-year-old in San Francisco in a Kaiser Health Plan for 2014

| Metal Tier | \$ you pay at primary care doctor visit | \$ you pay for non-preferred brand drugs | \$ you pay for an urgent care visit |
|--------------------------------|---|--|-------------------------------------|
| Regular Silver plan | \$45 | \$70 | \$90 |
| Enhanced Silver at 250% of FPL | \$40 | \$60 | \$80 |
| Enhanced Silver at 200% of FPL | \$15 | \$25 | \$30 |
| Enhanced Silver at 150% of FPL | \$3 | \$10 | \$6 |

You can only get this extra help if you buy a Silver level plan. A Bronze plan might sound better because of its lower monthly premium. But if your income is less than 250% of the FPL and you choose a Bronze plan, you will miss out on these extra savings. These cost savings make it possible for you to get a higher level of coverage for the monthly premium of a regular Silver plan.

How will I know each health plan’s metal tier?

Each plan’s metal tier should be in its name.

Some plan names may be different on your state’s Marketplace website and the health plan’s website or elsewhere. This can be confusing. Pay attention to the plan name. Check with the health plan and your state’s Marketplace if you are not sure about a plan’s metal level.

What’s a catastrophic plan?

A “Catastrophic” plan is a health plan with a very high deductible. It is not designed to cover routine medical care. It is designed to provide a basic form of insurance to cover catastrophes. It is usually for people who only want insurance in case they have a medical problem with unusually large bills.

The monthly premium is lower than for other plans, but you can’t get tax credits or lowered costs in a catastrophic coverage plan. Before your health plan pays anything,

you will find yourself paying thousands of dollars for regular health care. This type of plan is only available for people 30 years old and younger (with some other exceptions – check with your state’s Marketplace to find out more about exceptions). If you would not be able to pay a high deductible for health care over the course of a year, you may want to consider a different type of plan.

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