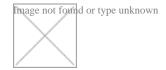
AAF

Weekly Checkup

Wide Geographic Variation in Average Health Insurance Subsidies

CONOR RYAN | OCTOBER 29, 2014

Health care spending varies widely across the United States and in ways that are not entirely understood. While spending on many non-health care items—such as housing or food—also varies by region, geographic disparities in health care are more exaggerated and largely unexplained by income differences or the quality of care.[1] Closely related to health care spending, health insurance premiums vary in a similarly enigmatic pattern, made worse by state-specific regulations on the insurance industry. However, the recently implemented Health Insurance Marketplace guarantees that eligible households are required to spend only a specified percentage of household income; the remaining portion of the premium is covered by a federal subsidy. As a result, the value of the subsidy spans a wide range according to the residence location of the eligible household.



[1] Congressional Budget Office, "Geographic Variation in Health Care Spending," 2008, available at: http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/89xx/doc8972/02-15-geoghealth.pdf