



Written by [Michael Tennant](#) on June 8, 2016

## Colorado's ObamaCare Exchange Expects Fewer Insurers, Higher Premiums in 2017

Next year, nearly 100,000 Coloradans are poised to lose their ObamaCare exchange insurance, and those who don't lose it may face premium hikes as high as 40 percent, according to a preliminary report from the Colorado Division of Insurance (DOI).

Two insurers announced they would no longer participate in Colorado's exchange come 2017, and another two said they would be cutting back drastically on their exchange coverage. UnitedHealth Group and Humana Insurance, both of whom had already announced they were leaving some exchanges after suffering severe losses on them last year, said they will pull out of Colorado's exchange, leaving 20,000 individuals without coverage. Anthem Blue Cross Blue Shield will stop offering its Preferred Provider Organization (PPO) plans, which cover 62,310 people, though it will continue to offer its Health Maintenance Organization (HMO) plans. And Rocky Mountain Health Plans will only offer coverage in one county, leaving approximately 10,000 people in the lurch. All told, over 92,000 Coloradans, about a fifth of those with individual coverage, will be forced to find new insurance plans or pay the individual-mandate penalty next year.



Those not forced to seek out new plans will not exactly be pleased, either. They, as well as their newly uninsured neighbors, will have fewer choices and higher premiums in 2017.

Rocky Mountain Health Plans' exit from the exchange "will leave many areas with only one on-exchange insurance company — Anthem Blue Cross and Blue Shield's HMO division — for individual plans," according to a DOI [press release](#).

"I'd rather these companies continued in the individual market," Insurance Commissioner Marguerite Salazar said. "But in the larger picture, what's taking place is a market correction; the free market is at work."

Leave it to a government official to blame problems created by the government on the free market. The ObamaCare exchanges are anything but a free market. They are tightly controlled by both state and



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federal governments, the coverage they offer must meet a multitude of mandates, and their premiums are highly subsidized. The fact that insurers are abandoning the exchanges is an indication of flawed central planning, not a “market correction.”

In an interview with the [Colorado Springs Gazette](#), Salazar “also suggested that fewer insurance options might be a good thing for Colorado, because that could lead to less confusion once open enrollment begins.”

“Do we really need 1,000 plans?” she asked.

In that case, things ought to be becoming clearer to Coloradans by the year. Last year, [190,000](#) Centennial Staters lost their plans because they didn’t meet ObamaCare’s requirements, and another [83,000](#) were forced to find new insurance when the state’s ObamaCare co-op was shuttered despite \$72 million in federal loans. Colorado is one of the few states to operate its own exchange; its insurance market, according to the [Washington Times](#), is “already[ ]shaky.”

Some insurers continuing to offer exchange plans are proposing steep rate hikes for next year, a situation [hardly unique to Colorado](#) and a source of real concern for Democrats in November. Anthem’s HMO plan is requesting a 26.8-percent premium increase; Rocky Mountain wants a 34.6-percent jump; and Golden Rule, a plan introduced just this year, hopes to raise its rates by a whopping 40.6 percent.

“In general, the companies have indicated that the people enrolled in individual plans have used more healthcare services and with greater frequency than anticipated,” said Salazar. “While the DOI will evaluate information provided by the companies to determine if their requested premium increases are correct, all of us in the industry must tackle the more pressing question of what is driving the increased health costs in the individual market that lead to higher premiums.”

Salazar, of course, had answered her own question. The sickest individuals flooded exchanges across the country when they found out they could obtain insurance, which they had previously been denied, at bargain-basement rates considering their conditions. The young and healthy, meanwhile, chose to pay the penalty rather than shell out hundreds or thousands of dollars for insurance that they would rarely use and would cost them dearly in [deductibles and co-payments](#) if they did. The result: insurers got stuck with high bills and not enough premiums to cover them, especially with taxpayer bailouts prohibited by Congress. (Insurers are [suing](#) the federal government to recover their expected bailouts.)

Still, to true believers like Salazar, who was put in charge of implementing ObamaCare in six states by President Barack Obama, the healthcare law is never the problem. “We’re still in the stabilization phase,” she said, sounding like someone bailing out the *Titanic*.

To ObamaCare critics, on the other hand, the DOI’s announcement is just more proof that the law was doomed from the start.

“Coloradans get sucker-punched harder year after year by skyrocketing health care costs that we were promised would come to an end under Obamacare,” Jonathan Lockwood, executive director of the free-market-oriented group Advancing Colorado, said in a [statement](#). “The insurance commissioner once said Obamacare is like flying a plane while building it, and now she says it is still in the stabilization phase. It is anything but stable with the exodus from the exchanges and plans constantly getting cancelled. Obamacare is flunking another year in a row, shocking no one.”

Senator Cory Gardner (R-Colo.), in a [press release](#), said, “When the President rammed his partisan healthcare law through Congress, he repeatedly promised the American people ‘if you like your plan,



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you can keep it.’ President Obama and those that supported this partisan law are now silent as 92,000 Coloradans must find a new insurance plan. The President also promised the average family of four would pay \$2,500 less annually by the end of his first term, but has no answers for families in Colorado that will have to deal with these outrageous increases.”

The only proper — and constitutional — answer for ObamaCare and Americans suffering under it is repeal.





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