



## ObamaCare Premiums to Increase By Double-Digits in 2017

A report from the Department of Health and Human Services presents a dire view of ObamaCare premiums in 2017. It reveals that they will increase an average of 25 percent across 39 states served by the federal marketplace. Likewise, deductibles will rise dramatically, while consumers will have fewer options for insurers. Despite this devastating news for consumers, President Obama continues to tout the Affordable Care Act as his crowning achievement.



The HHS report released this week also indicates that with the withdrawal of many insurers from participating in the marketplace, one in five consumers will have limited options for insurers. “Consumers will be faced this year with not only big premium increases but also with a declining number of insurers participating, and that will lead to a tumultuous open enrollment period,” stated Larry Levitt, who tracks the health care law for the nonpartisan Kaiser Family Foundation.

Fox News reported that the total number of HealthCare.gov insurers will drop from 232 this year to 167 in 2017. (Insurance companies are counted more than once if they are in more than one market.)

Earlier this year, Aetna, which once lauded the healthcare law, announced that it would pull out of the 2017 public exchange expansion plans. Aetna was not the only onetime proponent of ObamaCare that has now changed its perspective on the law. Humana, UnitedHealth Group, Blue Cross, and Anthem have all reported struggles with plans that were sold on the exchanges, indicating that they were not ready for the increased number of particularly high risk customers, many of whom have generated far more claims than insurers predicted, though critics of the law have from the beginning forecast such outcomes.

Blue Cross has reported significant losses on its exchange plans, and Humana has threatened to quit the exchange completely, opting instead to offer just individual plans in a fraction of the counties and states it currently services.

What’s more, the co-ops that were created to keep prices competitive are struggling just as much as the healthcare insurers. Seventy-percent of the original co-ops have gone under.

The Kaiser Family Foundation reports that in 2017, the average number of insurers participating in the marketplace will be 3.9, down from 5.4 in 2016. “Marketplace insurer participation in states using Healthcare.gov in 2017 ranges from 1 company in Alabama, Alaska, Oklahoma, South Carolina, and Wyoming, to 15 companies in Wisconsin,” KFF.org writes.

All these factors are conspiring to make 2017 quite a difficult year for consumers, and some regions are expected to suffer more than others.

The *Wall Street Journal* reports that market leaders are seeking premium increases of 30 percent in Delaware, Hawaii, Alabama, Mississippi, Kansas, and Texas, while states such as Montana, Oklahoma,



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Tennessee, and Pennsylvania will increase rates 50 percent.

Fox News reports that one town in Arizona will see a 75-percent hike in deductibles, while Minnesota's increase will be 190 percent over the next four years. "It's absolutely unaffordable," Minnesota Republican House Speaker Kurt Daudt told FoxNews.com. "I don't even consider that health coverage."

Daudt adds that families may be forced to decide between spending \$2,000 a month for insurance with deductibles as high as \$13,000, or paying the fee for not having insurance, which in 2016 came out to \$695 per adult and \$347.50 per child (up to a maximum of \$2085.)

"It's catastrophic," Daudt said.

In Phoenix, a family of four with an income of \$62,000 would pay approximately \$342 monthly for a plan that has an annual deductible of \$14,100. In other words, they might be able to afford the premium, but it's not likely they'd be able to afford actually using the insurance.

In an effort to defend the figures, administration officials contend that subsidies provided under the law will protect most customers from the cost, adding that consumers who are willing to switch to cheaper plans will still be able to find bargains. "Headline rates are generally rising faster than in previous years," acknowledged HHS spokesman Kevin Griffis. But he added that for most consumers, "Headline rates are not what they pay."

According to Caroline Pearson of Avalere Health, the majority of customers who purchase insurance through HealthCare.gov benefit from significant financial assistance — at the expense of taxpayers, of course. "Enrollment is concentrated among very low-income individuals who receive significant government subsidies to reduce premiums and cost-sharing," Pearson said.

However, Fox News notes that five to seven million prospects are either ineligible for the assistance in the system, or they purchase their policies outside of the marketplace, where subsidies are not available. For example, the *New York Times* reports that in Raleigh, North Carolina, a 53-year-old man making \$25,000 a year would be eligible for a \$639 monthly subsidy, reducing his premium to just \$75 per month, while a man of the same age earning \$53,000 yearly would have to pay \$714 monthly.

Despite the impending rate and deductible increases, as well as the significant reduction in insurance options, President Obama continues to defend his healthcare law for allowing millions of Americans to experience "the financial security of health insurance."

"It's worked," Obama said in Miami, even while Democrats are starting to admit that the law has failed.

Former President Bill Clinton stated that ObamaCare is "the craziest thing in the world," while Minnesota Governor Mark Dayton opined that it's "no longer affordable."

Republicans are seizing on the latest figures as fodder to drive voters to the polls on November 8. Republican presidential contender Donald Trump said on Monday, "It's over for ObamaCare." In a speech by Trump in Gettysburg in which he laid out his plans for the first 100 days of his administration, he announced that he would repeal ObamaCare and replace it with a health savings account program.

Trump also notes Democratic nominee Hillary Clinton intends to "double down and make it more expensive and it's not gonna work.... Our country can't afford it, you can't afford it."

During her campaign, Clinton has proposed increasing subsidies and making them available to more people, a solution that would greatly increase taxpayer costs.



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