



Written by [Michael Tennant](#) on September 25, 2013

## ObamaCare: Putting the “Blue” in the Bluegrass State

Thousands of Kentuckians recently found out the hard way that the Affordable Care Act (ACA), better known as ObamaCare, is making their health insurance considerably less affordable. Their insurance company, Humana, notified them that because of the healthcare law’s numerous mandates, their premiums would be increasing significantly — in at least one case, by nearly 200 percent.



“When I saw the letter when I came home from work, (it said) ‘your action required, benefit changes, act now,’” Louisville resident Andy Mangione told [Fox News](#), referring to mail he received from Humana. “Of course I opened it immediately.”

Mangione undoubtedly expected a significant rate hike for 2014. He is, after all, vice president of government relations at the [Association of Mature American Citizens \(AMAC\)](#), a seniors’ organization that opposes ObamaCare. But even he was not prepared for the sticker shock that awaited him inside that envelope: The premium that he currently pays for insurance for his family of four is set to almost triple, going from \$333 a month to \$965 a month.

“This is a high deductible plan where I’m assuming a lot of risk for my health insurance for my family,” Mangione told Fox News. “And nothing has changed; our boys are healthy — they’re young; my wife is healthy. I’m healthy; nothing in our medical history has changed to warrant a tripling of our premiums.”

So what did warrant the enormous rate hike?

“Increases aren’t based on your individual claims or changes in health status,” the Humana [letter](#) explained, noting that rate hikes are expected across the insurance industry. “Many other factors go into your premium including: ACA compliance, including the addition of new essential health benefits.”

In other words, simply by virtue of living in the United States as ObamaCare takes effect, people buying insurance in the individual market will be paying much higher premiums than they were before.

Humana isn’t saying just how many of its customers nationwide are going to be hit with rate hikes, but company spokesman Mitchell Lubitz [told AMAC](#) that 6,000 clients in Kentucky received letters similar to the one sent to Mangione. According to [RedState](#), Humana requested, on average, an 80-percent increase in premiums for its individual insurance policies in a July filing with the Kentucky Department of Insurance.

The premium increases, Lubitz told AMAC, reflect “the costs necessary to bring a plan into compliance with the Affordable Care Act. Right now, all of our policies are ACA-compliant (i.e. – they all include 100 percent coverage of preventative services and contraceptive coverage), but ACA requires additional essential health benefits beginning on January 1, 2014. Essential health benefits, which are divided into 10 categories, are mandated for individual and small group health plans in 2014. Based on the health reform law, costs must be spread over all ages and genders, and the rates in 2014 reflect the expected costs of those services.” Guaranteed issue, the requirement that insurers accept all comers regardless of pre-existing conditions, alone accounts for about 60 percent of the rate hikes, Humana said in its



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filing.

“It’s not Humana’s fault” that rates are going up, Mangione said in the previously cited AMAC press release. “They are being forced to go along with the program. What bothers me is that we were told our premiums would go down and that we could keep our policies. It looks like we were lied to.”

No fooling. As *Forbes*’ [Avik Roy](#) observed, “Overall, the blizzard of mandates, regulations, taxes, and fees that Obamacare imposes on its insurance exchanges will drive underlying premiums upward for people who shop for coverage on their own.” A Manhattan Institute [study](#) that Roy helped conduct found that in 13 states plus the District of Columbia — the only jurisdictions that had made public the relevant ObamaCare insurance filings as of September 4 — individual insurance premiums were set to rise by 24 percent on average, with at least one state (New Mexico) seeing triple-digit increases. [Earlier congressional studies](#) forecast even higher rate jumps, though insurers are doing their best to mitigate the ACA’s effects, in part by restricting consumers’ choices of doctors and hospitals, as [The New American](#) recently reported.

Still, there’s only so much they can do when they are stuck providing everyone — young or old, healthy or sick — with a vast array of unlimited benefits yet cannot charge rates commensurate with the risk each beneficiary poses. The only possible outcome is a steep increase in premiums for the young and healthy, who may, in turn, decide that they’re better off paying the individual mandate penalty rather than buying insurance, leading to a “death spiral” in the insurance industry. Then, many observers suspect, it’s Uncle Sam to the rescue with a complete nationalization of healthcare, the result that many ObamaCare backers, from [Senate Majority Leader Harry Reid](#) (D-Nev.) to [President Barack Obama](#), have desired all along.

With every passing day, defunding, repeal, or nullification of ObamaCare becomes ever more urgent.



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