



Written by [Bob Adelman](#) on January 14, 2014

## Only One-Quarter of ObamaCare Enrollees are Young, Healthy

Along with [Monday's announcement](#) that less than one-fourth of the 2.2 million people who have signed up for ObamaCare are young and healthy — between ages 18 and 34 — [have come questions](#) about the viability of ObamaCare itself. What if those young and healthy don't sign up, but decide to pay the penalty instead? What happens to the health insurance companies' "model" — the actuarial assumptions made to estimate premiums? What will happen to premiums in the future?



At least 20 million people need to sign up in order for ObamaCare to be viable, according to health insurance expert Robert Laszewski. That's a far cry from the two million presently enrolled, the 3.3 million expected to be enrolled by now, or the seven million anticipated to be enrolled by March 31. And 40 percent of those 20 million need to be in that 18-34 age bracket for the projections to work out.

At present all marketing efforts are focused on the benefits of having health insurance, most of which are directed at that young and healthy group. But come March 31, the "witching hour" — the date by which everyone must decide whether to buy insurance or pay the penalty — the die will be cast.

At first blush, the first-year's penalty for not buying insurance [appears modest](#): It's \$95 for an individual and \$47.50 per child (up to \$285 per family), or one percent of family income, whichever is greater. In 2015 the penalty jumps to \$325 per adult and \$162.50 per child (up to \$975 per family), or two percent of family income, whichever is greater. In 2016 the penalty jumps again, to \$695 for an adult and \$347.50 per child (up to \$2,085 per family), or 2.5 percent of family income, whichever is greater. According to the Congressional Budget Office, the maximum could reach \$5,000 in 2016 and move ever higher each year thereafter through inflation adjustments.

By that time, the coercive power of ObamaCare is likely to have forced everyone thinking of avoiding buying coverage into a plan, even if it doesn't fit their needs, simply because it's the least painful way out. At present, however, the low penalties could dramatically impact ObamaCare long before 2016. As Laszewski said:

I don't think ObamaCare can survive without people wanting to buy it. How ... are you going to enforce a mandate to buy something that people don't think is valuable enough to buy?

Enforcement has already been spelled out in the law. The IRS is free to use any means at its disposal, but it may not apply liens or levies or criminal prosecutions, according to the White House. So in essence, what's likely to happen is that the IRS will go after federal income tax refunds to collect the penalties.

But what happens if those means are insufficient? According to Laszewski:

If the uninsured don't start to see value in ObamaCare and buy it, is the Democratic solution to fine



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the heck out of them until it hurts so much they have to buy it?

[What a] great political strategy!

At present, [half of uninsured citizens consider ObamaCare a bad idea](#), the very group ObamaCare allegedly was designed to help. If fines and penalties for not buying health coverage increase, how persuasive is that going to be among those already disenchanted with the law?

Laszewski noted the conundrum:

The problem is that the government will be hard pressed to collect a fine on something lots of people don't believe has value.

This is when it will become a huge political albatross.

At its core Obamacare is not sustainable, and the mandate/fine is not politically sustainable.

This is to be expected of a government program designed to solve a perceived problem through coercive political means. It's the perfect example of requiring the purchase of something most people don't want at higher and higher prices. This could inevitably create the political storm that will end those mandates (and penalties), spelling the doom of the law altogether.

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