



Written by [Michael Tennant](#) on March 29, 2018

## States Scramble to Stop ObamaCare Sticker Shock

Expecting premiums on the ObamaCare insurance exchanges to rise sharply in the wake of the repeal of the individual mandate, states are scrambling to find ways to blunt this “sticker shock,” reports the [Washington Times](#).

Simply put, the individual mandate forced healthy people to subsidize coverage for the unhealthy. Without it, premiums are expected to rise by an average of 10 percent as people who draw few benefits drop coverage, leaving a smaller pool of sicker people for insurers to cover.



Congress had an opportunity to remedy the situation somewhat by including provisions in the just-passed omnibus spending bill that would, among other things, have poured federal money into the exchanges to hold down premiums for 2019 — a deal brokered by Senators Lamar Alexander (R-Tenn.) and Patty Murray (D-Wash.). But Democrats balked at GOP-authored language that would have applied the Hyde Amendment, which forbids federal funding of abortion, to ObamaCare, [scuttling the agreement](#) and leaving states to deal with the inevitable rate hikes.

“States don’t print money, and individual markets, to become stable, need an infusion of federal dollars,” Mila Kofman, executive director of the D.C. health exchange, told the *Times*.

This was always one of the big pitfalls of ObamaCare. The system was designed to require federal subsidies in perpetuity. The repeal of the individual mandate and the failure of the Alexander-Murray deal, which would only have forestalled the premium increases for another year, simply exposed the problem.

What is a state to do when faced with double-digit premium jumps?

According to the *Times*, “A few blue states are considering a restoration of the “individual mandate,” among them Connecticut, Rhode Island, and the District of Columbia. Rhode Island “is exploring whether they should copy neighboring Massachusetts,” writes the paper. Given that, at least as of 2016, the Bay State had the [highest family premiums in the nation](#) and insurance costs that were growing faster than wages, Rhode Island might want to reconsider adopting “Romneycare.”

The unpopularity of the federal individual mandate suggests that few states beyond those deeply committed to the progressive agenda will try to impose their own version of it. Instead, most are likely to pursue “reinsurance” programs whereby the state covers claims for high-cost beneficiaries, thus reducing premiums. The Trump administration has made it easier for states to apply for waivers to create their own reinsurance programs, and [several states](#) have taken advantage of the opportunity.

“There is a template for doing this based on what a handful of states have already done, but the clock is ticking,” Larry Levitt, senior vice president for the Kaiser Family Foundation, told the *Times*. “States would have to move fast to have reinsurance programs in place to affect premiums for 2019.”



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For some states, time has already run out. Washington gave up on a reinsurance program when it couldn't decide how to finance it. Meanwhile, Nevada's legislature, which mercifully meets only in odd-numbered years, won't convene again until February, so the state can't do much to address insurance premiums for next year. Instead, writes the *Times*, "Nevada is using its marketing skills to stress the economic benefits of being insured instead of lacking coverage, plus federal subsidies that will blunt rising cost[s] for the vast majority of customers."

Maryland isn't waiting around for solutions from D.C. Besides approving a bill calling for a reinsurance waiver application, Governor Larry Hogan (R) said he's set to sign one that would redirect the \$380 billion insurers are expected to retain under federal tax reform into a state tax to subsidize high-cost exchange enrollees.

"Other states," reports the *Times*, "are trying to find ways to get around Obamacare, saying its robust coverage requirements nudged healthier people out of [the] market" by making insurance too expensive for them — a perfectly predictable result of the so-called Affordable Care Act.

ObamaCare was always a disaster waiting to happen. Republicans had the chance to repeal the entire law and blew it. Now they, not the party that foisted this monstrosity on the country in the first place, are likely to take the blame for its flaws that their halfhearted repeal exposed. In the meantime, ordinary Americans — and their state governments — will pay the price for GOP fecklessness.

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