In part due to Trump sabotage

Obamacare premiums to soar in 2018

By Kate Randall
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Open enrollment for 2018 Obamacare plans began November 1 and runs to December 15, half as much time as in previous years of operation. Cutting the enrollment time is one of the ways the Trump administration has sought to sabotage the Affordable Care Act (ACA), despite the numerous failures of the Republican-controlled Congress to “repeal and replace” Obamacare, a central Trump campaign pledge.

A new study by Avalere Health finds that premiums for mid-level silver plans, among the most widely chosen, will increase by 34 percent next year. The health care consulting firm says the projected increases are due to changes to the ACA by the Trump administration, lower than expected enrollment, and further insurer departures from the ACA marketplace.

“Plan are raising premiums in 2018 to account for market uncertainty and the federal government’s failure to pay for cost-sharing reductions (CSR),” said Caroline Pearson, Avalere senior vice president, in a press release. CSR reimbursements to low-income individuals and families, used to offset some out-of-pocket costs, were canceled October 12 by Trump. The threat of the CSR cutoff caused private insurers on the ACA exchanges to raise premiums to cover their potential losses from having to pay out the reimbursements themselves.

An average additional 3 to 4 percentage points increase in premiums was charged by insurers to compensate for the prospect that the administration wouldn’t strictly enforce the individual mandate, which requires people to purchase insurance or pay a fine. Without the mandate, younger, healthier people were expected to exit the exchanges, leaving an older, less healthy customer base, more costly to insure.

The Kaiser Family Fund (KFF) found that among ACA exchanges in states run by the federal government, gross premiums (before subsidies are applied) will increase an average 17 percent for the lowest-cost bronze plan and 35 percent for the lowest-cost silver plan. Many states allowed insurers to offload the premium increases resulting from the ending of the CSR payments onto silver plans, which are the benchmark for determining premium subsidies (which are separate from CSRs).

As an unintended result of Trump axing the CSRs, KFF says, “enrollees will see much higher premium tax credits,” and gold plans, which are a step above silver, will actually be more easily attainable, and some bronze plans may even work out to be free, after the subsidy is supplied.

According to a report on 2018 premiums by the Department of Health and Human Services (HHS) issued Monday, the average monthly premium for the silver benchmark plan will increase by 37 percent for a typical 27-year-old, to $411 a month. However, the average subsidy will increase by 45 percent, to $555.

It should be remembered, however, that even if the cost to enrollees is lowered, the higher-premium tax credit subsidies go to the private insurance companies, whose participation in the Obamacare marketplace is completely voluntary and based on whether or not they are able to turn a big profit. Obamacare has never been about reforming health care in the interest of ordinary Americans, but in cutting costs for corporations and the government while rationing care and services.

In 2018, the most vulnerable population group will be households that are ineligible for subsidies, typically because they earn more than 400 percent of the federal poverty level ($98,400 for a family of four this year.) This segment accounts for about 16 percent of total ACA enrollments, or as many as 2 million people.

The HHS report shows that insurers are continuing to pull back from the exchange market, with 132 insurers in 2018 compared with 167 in 2017. Eight states—Alaska, Delaware, Iowa, Mississippi, Nebraska, Oklahoma, South Carolina and Wyoming—will have only one insurer in the individual exchange market in 2018.

According to the Avalere study, there will be significant variation across the states in relation to premium increases, with Iowa seeing the highest jump in average silver premiums, 69 percent over 2017, while Alaska will see a decrease in premiums of 22 percent.

Consumers are also much less informed about the options available on the Obamacare marketplace this enrollment period. The Trump administration has cut advertising for signing people up by 90 percent, and funding for in-person assistance—or “navigators”—has been slashed by 40 percent. According to Vox.com, one pro-Obamacare advocate estimates that under the best-case scenario, 1.1 million fewer people will be enrolled in health coverage through the ACA next year.

In a parallel development, new information shows that the affordability of employer health plans for low-income families has deteriorated under Obamacare. Writing in *Forbes*, Chris Conover writes that employer-sponsored health insurance premiums have risen faster than the average income for low-income families under Obamacare.

For families in the bottom fifth of income distribution, employer-sponsored insurance coverage costs have risen by about 15 percent since 2010. Obamacare regulations requires that large employers offer more costly benefits covering essential services. However, unlike those in the ACA exchanges, low-wage workers at such firms are offered zero assistance in purchasing this coverage.

Having staved off a “repeal” of Obamacare, congressional Democrats have no concern for working to improve the health care of ordinary Americans, instead placing their efforts on investigating alleged Russian meddling in the 2016 elections and holding congressional hearings of “extremist content” on the Internet in an effort to legitimize censorship and attack free speech.

They are still open to a “compromise” to “fix” Obamacare, which means shoring up the insurance companies. This has nothing to do with extending insurance coverage to the 29 million Americans who remain uninsured nearly eight years after Obamacare was signed into law, and the millions more who stand to lose coverage and benefits with a repeal of Obamacare and attacks on funding to Medicaid and Medicare.

Big Democratic donors are more interested in putting their money into the effort to increase Democratic seats in Congress in the 2018 mid-term elections and putting a Democrat in the White House in 2020.