

Giant US insurer threatens to exit Obamacare coverage

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In one of several signs of the growing crisis for the private insurance-based health coverage established by the Affordable Care Act (ACA, or Obamacare), UnitedHealth Group announced last week that it expects a loss this year of hundreds of millions of dollars through the sale of individual policies under the law. The company threatened to leave the exchanges set up as part of the health care marketplace under the ACA.

“We cannot sustain these losses,” said UnitedHealth CEO Stephen Hemsley. “We really can’t subsidize a marketplace that doesn’t appear at the moment to be sustaining itself.”

UnitedHealth Group is the parent company of United Healthcare, the largest health insurer in the US. In the private marketplace set up under Obamacare, it currently insures about 550,000 customers, the fourth largest total among major insurers. This is about 5 percent of the approximately 10 million who have purchased insurance.

Other companies, however, including Anthem and Aetna, are also reported to be facing difficulties in this part of their highly profitable business, as the total enrollment in Obamacare has fallen far below predictions and includes a high percentage of sicker patients.

The latest development exposes the fraud of the Obama administration’s claim that the ACA would provide some form of universal health coverage. The White House and all of its backers promised that the for-profit insurance industry would take care of the needs of tens of millions of the previously uninsured population.

The “magic of the marketplace,” however, has turned out to be a chaotic marketplace instead. Customers badly in need of coverage, some with serious or life-

threatening conditions, have to cope each year with complex changes in policies, while facing ruinous increases in insurance premiums, deductibles and other out-of-pocket costs.

The annual two-month period for open enrollment under Obamacare, when individuals can choose or switch their health plan coverage, began on November 1. The most enthusiastic supporters of ACA, including the *New York Times*, have been forced to acknowledge the growing problems faced by workers covered by the ironically titled “affordable” act.

A recent article in the *Times* interviewed a number of representative individuals and families who were being forced to shop around on the federal insurance marketplace for the third time in three years. Some were insured by one of the dozen nonprofit cooperatives that were now shutting down because they could not meet their expenses. Others were looking for new insurance because they faced monthly premium increases of 20 or 30 percent or more.

A graphic in the *Times* indicated that the “typical” premium increase for next year was 14.3 percent, but in some cities it was much higher: 21 percent in Atlanta, 26 percent in Dallas and 30 percent in Minneapolis.

In addition, even where the premium increases were somewhat lower, people were being hit by changes in policies that meant higher co-pays when seeing doctors, along with astronomical deductibles. This would mean outlays for some families of \$5,000 in out-of-pocket charges before they obtained any coverage.

Many individuals and families are letting their existing policies lapse rather than face huge expenses every time they seek medical care, up to a cap amounting to 15 or 20 percent of their annual income. Others are maintaining coverage to protect themselves against catastrophic illness, but are otherwise going

without routine care or care for less serious illnesses.

The Obama administration has made light of the problems revealed in the opening weeks of the latest enrollment period. One official suggested that 86 percent of those covered could benefit from switching plans. “This may be just one of those environments where there’s a new normal,” in the words of a professor at the Health Policy Institute of Georgetown University.

The “new normal” creates “anxiety and disruption” for the millions covered under Obamacare, the *Times* admitted. “Switching plans becomes an unwelcome ritual, akin to filing taxes, that is time-consuming and can entail searching for new doctors and hospitals each year.”

The newspaper also quotes Dr. Joseph Ladapo, a physician and researcher at the New York University School of Medicine, concerning problems in obtaining a patient’s previous medical records, and similar difficulties. “[I]n general, any breaks in continuity that happen as a result of these narrowing networks or plan changes are probably not in the best interest of patients,” said Ladapo.

The deepening problems are the inevitable outcome of Obamacare. Promoted as a means of solving the crisis of the uninsured, ACA has been a nightmare for many patients. Even those few who have benefited by obtaining coverage they had been previously denied now face the reality of escalating costs, and also the stress and insecurity created by the need to change their plans on an annual basis.

The problems reflected in the UnitedHealth announcement, along with the premium increases and other issues, are bound up with the fact that the expected enrollment of 10 million for 2016 is just half of the figure that was forecast by the Congressional Budget Office less than six months ago.

Many simply cannot afford the premiums, amounting in most cases to \$100 or \$200 monthly, even after receiving federal subsidies. The healthier and younger sections of the population that choose to remain uninsured—even though they are subject to a fine of up to \$695 per adult for 2016 if they ignore the individual mandate—are portrayed as selfish. The reality is that the majority are working at minimum wage or low-wage jobs, and have expenses such as student loan debt and unaffordable housing costs that are already weighing

them down.

The health care counterrevolution is depicted in typically false terms by the two big-business parties and the media. The right wing takes advantage of the opportunity to attack the unpopular Obamacare program, but it stands for the same subordination of the basic social need for decent medical care to the profit interests of the insurers, pharmaceuticals and the for-profit medical system as a whole. The Republicans stand for the outright privatization of Medicare and the destruction of Social Security, while the Democrats hit working people with skyrocketing costs and an individual mandate to enrich the insurance industry.



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