

US insurers seek 10 percent Obamacare premium increase for 2017

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Premiums under the Affordable Care Act (ACA) are set to rise in 2017, according to a new analysis by the Kaiser Family Foundation (KFF).

The report, published Wednesday, shows that insurers in about one-third of all major metropolitan areas are seeking premium hikes of an average of 10 percent on the most popular plans under what is popularly known as Obamacare.

While Kaiser cautions that the analysis is preliminary, the foundation's data shows that the trend of rising premiums under the ACA is continuing. Insurers cite rising drug and health care costs, as well as the growing pool of less healthy people shopping the Obamacare exchanges, for the rate increase requests.

What is clear, however, is that the private insurers, determined to increase their already bloated profits, are handing any cost increases along to the insured, and in some cases pulling out the ACA marketplaces altogether if they do not prove profitable.

KFF studied changes in premiums and insurer participation for the lowest and second-lowest cost "silver" plans in major metropolitan areas in 13 states plus the District of Columbia (DC) where complete data on rates is publicly available for all insurers. These two plans are the most commonly selected by Obamacare enrollees, while the government uses the second lowest-cost silver plan to calculate premium subsidies, also known as tax credits.

The analysis found that in the population centers studied, premiums for the two lowest-cost silver plans were increasing at a faster pace than in all previous years of the misnamed Affordable Care Act. The ACA was signed into law in March 2010 and the first plans were implemented in January 2014.

Kaiser also found that some states will have fewer insurers participating in 2017 than in 2016. In the 14 marketplaces studied, half (seven) will see insurer

participation remain steady or increase. The other half of areas studied will see a drop in the number of insurers, in many cases due to the withdrawal of UnitedHealthcare from the ACA marketplace.

Across the 14 cities studied, premiums for the lowest-cost silver plans will increase by a weighted average of 11 percent in 2017. These changes vary geographically, from an increase of 26 percent in Portland, Oregon, to a decrease of 14 percent in Providence, Rhode Island. These figures show an overall upward trend in premiums prices combined with variations fueled by the volatility of the insurance market.

Premium changes also vary across these cities for the second-lowest silver plans, from a decrease of 13 percent in Providence, to an increase of 18 percent in Portland. These premiums' changes do not take into account the tax credits enrollees receive based on their incomes and family size.

They also do not factor in the high deductibles charged for the two lowest-cost tiers of plans, silver and bronze, which in many cases exceed \$5,000. The insured must pay these costs out of pocket, except for some "essential" services, before any coverage kicks in. These deductibles have the effect of forcing many enrollees to self-ration care for themselves or their dependents because they cannot afford to pay these huge costs.

Enrollees also face the dizzying prospect of shopping for new plans every year, as the most affordable plan one year may lose that distinction the next. This often means switching doctors and other providers on a yearly basis, breaking continuity and trust built between doctors and patients. The insured may also have to battle insurance companies over coverage for specific drugs and treatments.

In six of the 14 cities analyzed by Kaiser, the insurer offering the lowest-cost silver plan in 2016 is no longer offering one of the two lowest-cost silver plans in 2017.

In nine of the 14 marketplaces, at least one of the two lowest-cost silver plans will no longer be in this category in 2017.

The report provides the example of Providence, where Blue Cross Blue Shield (BCBS) of Rhode Island offered the second lowest-cost silver plan in 2016 for a single 40-year-old, at \$263 per month, before taking subsidies into account. In 2017, BCBS is raising this plan's rate to \$272 per month while another insurer, Neighborhood Health Plan, is now offering a few lower-cost silver options.

In a number of states, those shopping for coverage will see a decreasing number of insurers. UnitedHealth announced in November that it was considering leaving Obamacare by 2017, facing the prospect of not seeing the same \$1.6 billion profits that it pocketed in the third quarter of 2015. The company announced it was dropping its ACA plans in Arkansas and Georgia and that more states were likely on the chopping block.

Insurance offerings vary from state to state and within states, where rural areas tend to have fewer insurers. Vermont, Rhode Island and DC each have only two Obamacare insurers statewide, while Connecticut and Nevada have only three each. Kaiser projects the likely risk of many rural areas having just one insurer in the future.

These rising premiums and declining insurance choices demonstrate the retrograde character of the Affordable Care Act. Under the legislation's individual mandate, individuals and families without employer-sponsored coverage or from a government program such as Medicare are mandated to purchase coverage from a private insurance company or pay a penalty.

Under these plans they are saddled with increasing premiums and out-of-pocket costs, along with dwindling insurance options. The entire operation is aimed not at providing "affordable" or "near universal" coverage, but at rationing health care for the vast majority of Americans who are held hostage to the profits of the private insurance companies.



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