One-third of US counties will have only one Obamacare plan in 2017

Kate Randall
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A new analysis projects that nearly a third of US counties and five entire states will likely have only a single insurer offering health plans on the Affordable Care Act (ACA) marketplace next year. The data highlights the impact of the mass exodus of high-profile private insurance companies from the exchanges set up under the program popularly known as Obamacare.

It is also the latest demonstration that President Obama's signature domestic program, far from providing near-universal, high-quality health care for Americans, is offering sharply limited coverage in large parts of the country, and that the for-profit private insurance companies are calling the shots when it comes to quality and price.

Preliminary data analyzed by the Kaiser Family Foundation (KFF) of ACA marketplaces at the request of the *Wall Street Journal* indicates there might be just one option for coverage in 31 percent of counties and only two in another 31 percent in 2017. These figures are sharply up from the current year, when 7 percent of counties had one insurer and 29 percent had two.

These figures are the direct result of the pullout of the top three private insurers—UnitedHealth, Humana and Aetna—from the Obamacare market. Citing falling profits, the insurance giants are in large part jumping ship, leaving large areas of the country with just one or two plans to choose from.

As these companies pull out of the ACA, many of those remaining are requesting—and will likely be granted—double-digit premium increases for their offerings. According to Healthcare.gov, 12.7 million people enrolled in Obamacare plans in 2016. Those choosing to enroll in 2017 will find fewer plans to choose from, higher premiums, higher out-of pocket costs, and narrower provider networks.

Kaiser cautions that because only premium changes are posted on the Healthcare.gov web site, and not the premiums of new insurers entering the exchanges, it is likely that more is known about those companies exiting the market than is known of any new entrants. Complete information on plans and premiums is not typically made public until shortly before the beginning of the open enrollment period on November 1.

Despite these limitations, however, it is clear that the choices for consumers will be sharply reduced next year. Rural and Southern regions will be particularly hard hit. Kaiser estimates that the proportion of counties with a single marketplace insurer will increase from 7 percent (225 counties) in 2016, to 31 percent (974 counties)—nearly a third—in 2017.

About 60 percent of counties could have two or fewer marketplace insurers in 2017. The analysis cites the exit of UnitedHealth as the main reason for the increase in single-insurer counties, as the company was the second insurer in many rural areas.

Counties with a single ACA insurer are concentrated in a handful of states this year. These include Wyoming (100 percent of counties with one insurer), West Virginia (82 percent), Utah (69 percent), South Carolina (63 percent), and Nevada (59 percent). Given the data presently available, four additional states are likely to have only one ACA insurer in all counties: Alabama, Alaska, Oklahoma and South Carolina.

Six other states will see staggering increases in the percentage of counties in 2017 with only one ACA insurer compared to 2016:

• Arizona: 87 percent of counties in 2017 compared to none in 2016
• Mississippi: 80 percent vs. 0 percent
• Missouri: 85 percent vs. 2 percent
• Florida: 73 percent vs. 0 percent

• North Carolina: 90 percent vs. 23 percent

• Tennessee: 60 percent vs. 0 percent

Given what is currently known, one county—Pinal County, near Phoenix, Arizona—stands at risk of having no insurer at all on their marketplace in 2017. Pinal is the third most populous county in the state, with about 400,000 residents. Aetna has announced it is pulling out of the county, and Blue Cross Blue Shield of Arizona has plans to pull out in 2017.

Under Obamacare "individual mandate," individuals and families without insurance through their employer or a government program such as Medicare or Medicaid are required to obtain insurance or pay a tax penalty. As of the 2010 census, Pinal County median household income stood at $51,310, making many people there eligible for the modest subsidies that are available for low and middle-income people to purchase ACA coverage.

But if no plans exist, and another insurer cannot be convinced to enter the county market, Pinal residents will be out of luck. They would only have the much more expensive option of buying private insurance off the exchange. While they would likely receive a "hardship" exemption from having coverage, they would remain uninsured and would face large out-of-pocket expenses for routine medical care, and economic devastation if they were hit with a catastrophic medical event.

Nearly four years after the Affordable Care Act began operation the scheme is increasingly viewed as a disaster, even by its proponents. At the ACA's inception, it was argued that competition in the market would keep prices low and the market robust, as insurers vied for customers on the exchanges.

But it has not worked out this way in practice. About 27 million Americans still do not have insurance. Many younger, healthier people have decided to gamble on not obtaining insurance, paying the ACA tax penalty and hoping that they don't have a medical emergency. This leaves a sicker pool of individuals who are more expensive to insure.

Because it is more costly than expected to insure the less healthy 12.7 million people who have signed up, the insurers are raising premiums and out-of pocket costs. Most of the least-expensive and therefore most inferior "bronze" plans come with deductibles in excess of $5,000 and more, which must be paid before any coverage except that deemed "essential" by the ACA kicks in.

Insurers are also increasingly narrowing provider networks, meaning that people are forced to switch doctors and hospitals. When premium hikes and coverage reductions do not adequately increase the insurers' bottom line, they are pulling out of the market altogether, leading to the present situation where in one-third of counties people have only one substandard choice.

The present state of affairs exposes the pro-corporate, anti-working class character of Obamacare as a whole. From its inception it was aimed at slashing costs for the government and corporations while boosting profits for the health care industry by reducing benefits and rationing care for working people.