

Report: New evidence of rising 'Obamacare' premiums

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In this Oct. 6, 2015, file photo, the HealthCare.gov website, where people can buy health insurance, is displayed on a laptop screen in Washington. A new study says premiums for popular low-cost medical plans under the federal health care law are expected to go up an average of 11 percent next year. The analysis from the nonpartisan Kaiser Family Foundation foreshadows sharp increases in an election year. (AP Photo/Andrew Harnik, File)

Premiums for popular low-cost medical plans under the federal health

care law are expected to go up an average of 11 percent next year, said a study that reinforced reports of sharp increases around the country in election season.

For consumers, the impact will depend on whether they get government subsidies for their premiums, as well as on their own willingness to switch plans to keep the increases more manageable, said the analysis released Wednesday by the nonpartisan Kaiser Family Foundation.

The full picture on 2017 premiums will emerge later this summer as the presidential election heads into the home stretch. The health law's next sign-up season starts a week before Election Day. Democrat Hillary Clinton wants to build on President Barack Obama's health overhaul, which has reduced the uninsured rate to a historically low 9 percent. Republican Donald Trump wants to repeal it.

The Kaiser study looked at 14 metro areas for which complete data on insurer premium requests is already available. It found that premiums for a level of insurance called the "lowest-cost silver plan" will go up in 12 of the areas, while decreasing in two. The changes range from a decrease of 14 percent in Providence, Rhode Island, to an increase of 26 percent in Portland, Oregon.

Half of the cities will see increases of 10 percent or more. Last year, only two of the cities had double-digit increases.

"Premiums are going up faster in 2017 than they have in past years," said Cynthia Cox, lead author of the analysis.

Among the cities studied, the monthly premium for a 40-year-old nonsmoker in 2017 will range from \$192 in Albuquerque, New Mexico, to \$482 in Burlington, Vermont.

Final rates may change if regulators push back on the requests from insurers. The foundation plans to analyze major cities in all states as more data becomes available.

Most workers and their families are covered by employers, but about 12 million people get private coverage through HealthCare.gov and online insurance markets run by states. Nearly 7 in 10 pick silver plans, a mid-tier option that allows consumers with low to modest incomes to also get financial help with out-of-pocket costs when they receive medical care.

Income-based premium subsidies designed to keep pace with costs will cushion the impact for many. But not all consumers get help. About 2 million marketplace customers make too much to qualify for the subsidies. And an estimated 3 million to 5 million people who buy their policies outside of markets like HealthCare.gov do not receive financial assistance.

For both the subsidized and the unsubsidized, willingness to switch plans and insurers may be crucial in keeping premiums more manageable next year.

The lowest-cost silver plan in a community often changes from year to year, and Cox said the estimated 11 percent increase is based on an assumption that consumers will switch.

"If they stay in their same plan they may see a higher premium increase," she said.

The premium increases come after major insurers reported significant losses on their health-care business. Enrollment was lower than hoped for, new customers were sicker than expected, and the government's system to help stabilize the markets had problems.

Medicare and Medicaid administrator Andy Slavitt, whose agency also oversees the [health law](#), said in a speech last week that the health insurance markets are still in an early trial-and-error stage. He estimated that could go on for another couple of years, or well into the next president's term.

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