

Obamacare 2017: A peek behind the numbers

October 31 2016, by Karen Pallarito, Healthday Reporter



(HealthDay)—As President Barack Obama prepares to leave the White House, his administration is gearing up for another open-enrollment period under the Affordable Care Act (ACA), perhaps the hardest-

fought initiative of his eight years in office.

This is the fourth year that individuals and families can buy their own [health insurance](#) through state-run insurance exchanges—also known as marketplaces—or on HealthCare.gov, the web-based exchange serving consumers in 39 states that do not handle their own enrollment.

The White House announced last week that premiums are rising 25 percent, on average, for the coming year. And, it confirmed a decline in the number of [health plan](#) choices for 2017 because several large insurers have abandoned many marketplaces where they were losing money.

The news reflects the administration's ongoing struggle to attract young, healthy adults to offset the financial risks of insuring older, sicker people who flocked to "Obamacare" when it became available in 2012.

Year-over-year increases in [health care costs](#), as well as the expiration of a provision of the health law aimed at protecting insurers from stunning losses due to high-cost claims, are reflected in the higher premiums for 2017.

"You add those two together, you're already into the small double-digits," said Dave Dillon, a fellow of the Society of Actuaries.

"The remaining increase is most likely related to the claims experience being worse than originally thought," Dillon added.

Princeton University health economist Uwe Reinhardt said some insurance companies underpriced their policies either to grab market share under Obamacare or because they did not anticipate the sicker-than-average population they would attract.

The biggest contributor to insurers' losses has been the decision of many young, healthy adults to forgo health insurance, Reinhardt noted in a recent article in the *Journal of the American Medical Association*.

"It is hard to see a way out of this dilemma, given the current political climate," he wrote.

Proponents of the law acknowledge that fixes are needed to ensure Obamacare's long-term survival.

President Obama recently called on the next president and Congress to figure out what needs changing to "make the Affordable Care Act better and cover even more people."

Health and Human Services Secretary Sylvia Burwell is projecting enrollment of 13.8 million people by the end of open enrollment on Jan. 31, 2017. That would be a gain of 1.1 million people compared with the prior year's enrollment period.

Others are less optimistic about such growth.

Global ratings analysts at Standard & Poor's forecast a significant slowdown in ACA enrollment. Considering new buyers, people who re-enroll and those who drop coverage, the analysts predict that 10.2 million to 11.6 million people will have paid their premiums for 2017.

Chris Sloan, a senior manager at Avalere Health, said enrollment growth has been slowing since 2014.

"At this point, there haven't been major changes in the market, and we know competition's going to decrease going into 2017," he said. "So it's probably going to be slow or flat enrollment for 2017."

More information: For help navigating the Affordable Care Act, visit HealthCare.gov.

The next enrollment period for health insurance coverage under the Affordable Care Act starts Tuesday. To learn more, [click here](#).

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Citation: Obamacare 2017: A peek behind the numbers (2016, October 31) retrieved 18 April 2024 from <https://medicalxpress.com/news/2016-10-obamacare-peek.html>

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