

More choices and stable premiums for 'Obamacare' next year

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Health and Human Services Secretary Alex Azar smiles during a television interview at the White House, Monday, Oct. 21, 2019, in Washington. (AP Photo/Alex Brandon)

Consumers will have more health insurance choices next year under the

much-debated Obama health care law and premiums will dip slightly for many, the Trump administration announced Tuesday.

President Donald Trump was elected on a promise to repeal "Obamacare." But despite his repeated efforts the program has stabilized three years into his administration. That may be short-lived.

The administration is asking a federal appeals court in New Orleans to overturn the entire Affordable Care Act as unconstitutional, an overhang of uncertainty clouding its future.

For now, the Department of Health and Human Services is touting a second consecutive year of positive-sounding numbers. An additional 20 insurers will participate for 2020, expanding consumer choice in many states, officials said. Nearly 70 percent of customers will have three or more insurers from which to pick a plan.

About 10 million people are covered through the health law's insurance markets, which offer taxpayer-subsidized private plans for people who aren't covered on the job. Former President Barack Obama's namesake law will be 10 years old next year.

Premiums for a hypothetical 27-year-old choosing a standard plan will decline 4% on average in 2020 for states served by the federal HealthCare.gov website, the Trump administration said. About a dozen states run their own sign-up websites, but most rely on HealthCare.gov.

A low-cost midrange plan for that hypothetical 27-year-old will charge monthly premiums of \$374 next year, officials said. The law's income-based subsidies can drop that to around \$50.

However, people who don't qualify for income-based assistance must pay full price, and that's before any deductibles and copays.

Unsubsidized customers may just decide to go uninsured, particularly if they're healthy.

A previous Republican Congress repealed the law's unpopular penalty to get more people signed up—fines for going without coverage.

Six states will see premiums decline by 10% or more, officials said. They are Delaware, Montana, Nebraska, North Dakota, Oklahoma and Utah.

Three states—Indiana, Louisiana and New Jersey—will see premiums increase 10% or more.

Even as it pursues "Obamacare's" demise in the courts, the Trump administration is trying to take credit for the program's current stability.



President Donald Trump, center, points to members of his Cabinet while speaking during a Cabinet meeting in the Cabinet Room of the White House, Monday, Oct. 21, 2019, in Washington, as Health and Human Services Secretary Alex Azar, left, and Secretary of State Mike Pompeo, right, listen. (AP Photo/Pablo Martinez Monsivais)

"Until Congress gets around to replacing it, the president will do what he can to fix the problems created by this system for millions of Americans," HHS Secretary Alex Azar said. "The president who was supposedly trying to sabotage this law has been better at running it than the guy who wrote it."

Independent experts say it's more complicated than that.

They credit the Trump administration for working with a dozen states to approve waivers that can bring down premiums by setting up a backstop system to pay bills from the costliest patients.

However, experts say the original design of the law's subsidies is probably the major stabilizing force. People eligible for financial assistance are insulated from price spikes because they pay only a fixed percentage of their income. Because their own costs didn't change much, customers with subsidies kept coming back to the market through years of double-digit increases in list-price premiums.

"As long as the subsidies are in place the changes that are happening ... are not going to push this market off a cliff," Standard & Poor's director and lead analyst Deep Banerjee said.

Experts say yet another factor is that insurers that have stuck with the program have learned over time how to operate profitably.

Although the program is stable, enrollment has been slowly eroding since Trump took office, from 12.2 million in 2017 to 11.4 million this year. The slippage has come mainly in the HealthCare.gov states, where the federal government runs sign-up season. Slashing the ad budget was one of the Trump administration's early actions.

The nonpartisan Government Accountability Office has recommended that the administration follow standard federal practices by setting sign-up goals and actively managing the program to meet enrollment targets. Seema Verma, head of the Centers for Medicare and Medicaid Services said the administration doesn't believe such targets are needed and instead her agency has focused on keeping the HealthCare.gov website running smoothly and improving the enrollment experience for customers.

Verma also disclosed that the administration has made some "minor" changes in how it reports data about the program. While those tweaks appear to be in the weeds, they're likely to get close attention from Democrats who accuse Trump of "sabotage" of the health law.

Sign-up season starts Nov. 1 in most states and runs through Dec. 15. States that run their own open enrollment may have different dates. Coverage starts Jan. 1.

The appeals court in New Orleans could issue its ruling during this time, but Azar said he's not concerned even if the judges say the whole program should be tossed.

"Our messaging would be to keep calm and carry on," he said, noting that the case is expected to go to the Supreme Court. "There will be no

immediate disruption to anyone."

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