THE DAILY CALLER

Ending Obamacare Subsidies Will Lower Premiums, Health Care Experts Say

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October 26, 2017

After President Donald Trump recently halted Obamacare subsidies for poor and low-income Americans, many in the media reported that the action will result in more expensive health insurance premiums for millions of consumers who are already struggling to make ends meet. This characterization, however, fails to provide key context that could actually mean lower premiums for Americans with individual health insurance plans.

According to a recent study from the Freelancers Union and Upwork, a record 36 percent of Americans now work as freelancers, meaning that they are not eligible for employer-sponsored health insurance plans offering much lower premiums for consumers. This means that roughly 57.3 million Americans — minus the number of those covered under health insurance plans offered by their spouse's employer-sponsored plans — are required under the Affordable Care Act to obtain individualized health insurance coverage or pay a penalty.

An estimated eight in ten consumers in the individual market are eligible for taxpayer-funded health insurance plan subsidies. Trump, however, recently halted billions of dollars in health insurance subsidies, because he said they only prop up insurers.

The administration also argues that the subsidies are illegal since the funds were never appropriated by Congress.

The move will not largely affect the eight in ten Americans who are eligible for the premium subsidies, since health insurers are still required to subsidize plans for low-income consumers even without taxpayer-assistance. Trump's move will only affect the remaining two in ten Americans on the individual market who are not eligible for subsidies because they earn too much, CNN reports.

The move by the president prompted a number of health insurance companies to request substantial premium rate increases heading into 2018. The Maryland Insurance Administration, for example, approved 33-percent average rate increases for 2018.

The Washington Post directly tied Maryland's health insurance rate increases to Trump halting taxpayer-funded subsidies.

ABC News claimed that "cutting them will likely further roil the already unstable insurance market."

However, the Washington Post, ABC News, and others failed to mention that while health insurers will no longer receive billions of dollars in taxpayer-funded subsidies, those same 2 in 10 consumers facing increased rates will also have more health insurance coverage options, thanks to Trump signing an executive order allowing them to purchase their coverage across state lines.

This move, according to conservative healthcare policy experts, will actually result in lower premiums.

Heritage Foundation experts Marie Fishpaw and Edmund Haislmaier called the October 12 executive order "a step in the right direction, partly because it encourages more health insurance associations, according to Fishpaw and Haislmaier:

A change of this sort could allow small businesses and the self-employed to escape Obamacare's costly benefit mandates and access new options run by associations that they have a stake in.

It could also help more small employers offer coverage to their workers. Newly enrolled individuals could save money—up to 20 to 50 percent on the cost of their insurance—by taking advantage of the tax break for employer-provided health insurance.

Cato Institute healthcare policy expert Michael Cannon said Trump's executive order "could save millions from ObamaCare."

"Since the Affordable Care Act took full effect in 2014, premiums in the individual market have more than doubled. The average cumulative increase is 105 percent, equivalent to average annual increases of 19 percent. Family premiums have increased 140 percent," Cannon wrote.

Cannon attributed the rise in premiums to Obamacare's "hidden taxes," which Trump's recent executive order seeks to help consumers avoid by purchasing guaranteed renewable short-term health insurance plans that would not be subject to Obamacare's onerous regulations.