



ObamaCare can mean two very different things

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Everyone has an opinion on what healthcare looks like, but one news outlet thinks there are increasingly two versions of ObamaCare.

The Hill says one version involves marketplaces that include multiple insurers and plans in coastal and northern areas of the United States. Then there is the one in southern and rural areas, where there is often little competition, something that can lead to higher premiums.

"It certainly seems to be the case that ObamaCare's rules are more damaging to insurance markets in rural, sparsely populated areas than they are in densely populated areas," the Cato Institute's Michael Cannon tells OneNewsNow.

"In those densely populated areas, you can have the sorts of narrow network plans that ObamaCare encourages and are used to compete for the healthy and avoid the sick, which is what ObamaCare encourages. And so those plans can thrive, but in areas where they're less able to exclude providers because there just aren't that many providers, then those plans end up with both healthy and sick. And what we've learned is that there are not enough healthy people signing up for ObamaCare to cover the cost of those sicker enrollees."

The Hill's report comes after Aetna announced it will exit 11 of the 15 states in which it had been offering plans. UnitedHealth said earlier this year that it will leave most exchanges.

"The plans that are leaving the ObamaCare exchanges are the ones that offer the most attractive coverage to the sick; and the ones that are thriving are the ones that are able to avoid the sick by making themselves unattractive to those people who actually need insurance," says Cannon.

"That is one at least one of the reasons why the number of insurers participating in ObamaCare exchanges is higher in more heavily populated areas than in more rural areas."