



Obamacare Failure Makes Employer Insurance Unaffordable, Kaiser Study Shows

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October 1, 2019

The New York Times discussed a newly released Kaiser Foundation report that pointed to premiums and deductibles making employer-based health insurance more expensive. This supports the failure of Obamacare. Kaiser Foundation surveys are a go-to source for issues supporting government control like the Affordable Care Act (ACA). We can now see how the present Kaiser Foundation report is proving Obamacare's critics correct.

Obamacare worsened employer-based insurance

The Kaiser survey states that employer health insurance is unaffordable. The article discusses many current-day examples of the difficulty in employers providing health insurance at a reasonable cost for employees or providing this benefit at all. Speaking to one business owner in New York, Anne Wadsworth, who originally took advantage of the tax credits available but these stopped.

"I was all on board for Obamacare," she said, but it proved not to be "a long-term solution. It doesn't lower the costs for people."

A well-known ACA critic, Sally Pipes wrote "The Truth About Obamacare" in 2010 after reading every part of the legislation. She documents many stories almost 10 years ago about how employer-based health insurance was going to be in trouble and more expensive. Premiums were going to increase and many experts were saying it. But if employers can't supply the best insurance, can the employee just look to the free market?

Employer-based insurance unaffordable for many

An employee of any business does not have to go with the employer's medical insurance. If an employee has no insurance, then the tax penalty called the individual responsibility requirement takes hold. Remember, it is a tax, not a mandate. An employee can decide to get their own health insurance through the exchange, but will not be eligible for the refundable tax credit.

The only way that the employee can get out of such regulations is if the premium of employer-supported health insurance is unaffordable. This means the premium exceeds 9.5% of the employee's and sometimes employees family gross income. Then the employee can get the tax refund and the employer is fined by the federal government.

Obamacare beating down employers

In the 2012 book, "Beating Obamacare", by Betsy McCaughey, Ph.D., several warnings were made. Employers will be dropping plans and young entry-level workers will be priced out of full-time jobs. In the book, McCaughey looked at the fact that implementing the healthcare

mandate would add about \$1.79 per hour cost to having employees. In some states that cost would be more. Paying the \$2,000 per employee fine for not providing health care is much less. Therefore, as predicted, many have lost employee health insurance and have been forced to the “market place” and Medicaid.

Employer Insurance Deductibles

In 2012 Kaiser reported on the growth of deductibles employees had to pay. From 2006 to 2012, the percentage of deductibles of more than \$1000 increased from 10% to 34%. The deductibles are greater than \$2000 increased from 3% to 14%. Essentially, looking at large and small firms, the amount the employee pays in deductibles doubled.

The general argument is that deductibles are increasing and becoming more prevalent to control costs for employers. This also will slow the use of emergency rooms use if one has to pay out of pocket. But the fact is that the options of health insurance plans since 2006, and especially since 2014, when most of Obamacare went into practice, has become a very narrow choice. The government controls the products insurance companies can offer.

Deductibles Today

The present Kaiser report shows there has been only a worsening of the problem. As written in the New York Times,

The average premium paid by the employer and the employee for a family plan now tops \$20,000 a year, with the worker contributing about \$6,000, according to the survey. More than a quarter of all covered workers and nearly half of those working for small businesses face an annual deductible of \$2,000 or more.

Since 2010, deductibles have increased by 150%.

Health Insurance Coverage Does Not Mean Savings

As Sally Pipes wrote about the findings of Timothy Cahill, former Massachusetts State Treasurer, who wrote in the Wall Street Journal about the catastrophe Romneycare was in the state. In 2006, the Massachusetts universal health care scheme was supposed to cost about \$880 million and by 2010 it was over \$4 billion. From his 2010 Wall Street Journal opinion piece,

If not for federal Medicaid reimbursements and commitments from Washington to prop up this plan, Massachusetts would be broke. The only reason MassCare has survived is that we have been repeatedly bailed out by the federal government. But that raises the question: Who will bail America out if we implement a similar program?

In 2013, Kaiser wrote a brief fact sheet on blacks and minorities and the benefits Obamacare will have. I wrote in 71Republic about the failure of Obamacare here. I discussed the Monmouth poll showing 47% of minorities still found that paying for healthcare premiums is difficult and 50% said paying deductibles and out of pocket expenses is difficult.

Kaiser Overlooked The Evidence – Obamacare will fail.

Both Sally Pipes in her book and in 2012, the Cato Institute wrote in-depth about the failures of the universal mandated health insurance in Massachusetts.

Cato quoted Massachusetts State Senator Jamie Eldridge,

The assumption was that, as more people—and, in particular, younger and relatively healthy people—joined the system, premiums would go down across the board. There was also the assumption that as more people became insured, the number of people going to the emergency room would drop dramatically, saving the Commonwealth money. Neither of those things happened. In fact, health reform has cost the Commonwealth much more than expected.

Free Market as a Solution

Unfortunately, the fixes needed for the care of a person's health was made clear by those ACA critics mentioned here and many others. But none of the Democratic presidential candidates nor President Trump and the Republicans see the benefit of the free market.

The proponents of Medicare For All and socialized medicine point to the fact that with fewer people signing up for Obamacare type insurance, the premiums will go up. Supporters of the mandate thought if younger enrollees paying for insurance, but not using it would offset the losses of the sicker or older consumers. This will be the narrative especially since the recent tax change which takes away the mandate tax in 2019.

But these premium and deductible increases have been developing since 2012. Many including the Kaiser Family Foundation have been publicizing polls, papers and surveys trying to support how better the United States would be with a less free market and more government-controlled health care. Obamacare itself is proving them wrong.