

The Daily Record

Slow, Painful Unravelling Continues

Michael D. Tanner

November 8, 2016

The first day of this month marked the first day of the Affordable Care Act's latest open-enrollment period. Millions of Americans now once again have the opportunity to choose from an increasingly limited number of overpriced insurance plans. Unsurprisingly, it looks like a great many of them will simply choose not to do so.

Even the Department of Health and Human Services, which is trying to put the best spin on the situation, estimates that barely 11.4 million people will be enrolled in exchange-based plans in the average month next year — fewer than half of the 24 million people that the Congressional Budget Office projected as recently as March.

Costs are going up, coverage is decreasing, and it will only get worse from here.

Worse, most of those signing up will be older and sicker than average, leading to the sort of “adverse selection” that has forced insurance companies to either hike their premiums or drop out of the market altogether.

In those states for which HHS had data, premiums for the benchmark Silver plans are expected to rise an average of 22 percent.

And higher premiums are just part of it. Deductibles and copayments are increasing as well.

Of course, Obamacare's defenders point out that most people on the exchanges receive subsidies to offset the rising premiums. But that still leaves millions of other Americans too prosperous to qualify for the subsidies who must pay most or all of the higher premiums out of pocket, not to mention millions of taxpayers stuck footing the bill for others' lousy insurance plans.

At the same time, insurers are rapidly pulling out of many markets, to the point where roughly onethird of U.S. counties now have just a single insurer offering plans.

Every time an insurer pulls out of the market, people lose their current coverage. And when people lose their coverage, they have to worry about whether their new plan will include their doctor, given that many plans are shrinking their provider networks.

Of course, the worst aspects of Obamacare affect only a small portion of Americans. Most of us still get our insurance from our employers, so our premium increases and plan disruptions have been milder. But they won't stay mild forever: We can soon expect many of Obamacare's cost increases to slop over into the employer-market.

There's no hiding from this disaster.

So on we go, to next fall, when we will likely find ourselves right back here once again, staring at higher premiums and fewer choices while our leaders sit on their hands and Obamacare's slow death spiral continues.

Michael Tanner is a senior fellow at the Cato Institute (cato.org) in Washington. A longer version of this article appeared on National Review (Online).