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Analysis backs claim of jump in Obamacare premiums

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Sen. John Cornyn accurately told a Texas constituent that residents of a third of U.S. counties are down to a single choice of insurance plans under the Obamacare law that Republicans have vowed to repeal.

PolitiFact this year rated True a similar claim. According to a 2016 analysis, people trying to purchase insurance on a government exchange only had one provider to choose from in 32 percent of the nation's counties. Some 21 percent of Affordable Care Act enrollees, or about 1.9 million people, could pick from a single insurance provider.

But a Houston resident asked us to check another part of Cornyn's September email to her, in which he said, "Under the Affordable Care Act (P. L. 111-148), premiums have increased by more than 105 percent since 2013."

We decided to put that declared increase to the Texas Truth-O-Meter.

This claim, we found, stems from a reputable report, though the percentage cited by Cornyn merits explanatory clarifications.

Cornyn spokesman Drew Brandewie traced the 105 percent figure to a five-page May report from the U.S. Department of Health and Human Services stating that average premiums charged in 2017 for health insurance policies sold to individuals shopping for coverage on the online federal exchange, Healthcare.gov, were 105 percent higher "than average individual market premiums in 2013."

The report further says: "The median state percent increase was 108%. The results are similar with those published by online health insurance broker eHealth, which found a 99% increase in premiums for plans purchased on their portal between 2013 and 2017."

Nationally, the HHS report says, average "monthly premiums increased from \$232 in 2013 to \$476 in 2017 and 62% of those states had 2017 exchange premiums at least double the 2013 average."

A chart in the report shows variations by state ranging from a low of 12 percent (New Jersey) to a high of 222 percent (Alabama). For Texas, the 2017 average premium for individual coverage purchased through the exchange, \$404, was costing 82 percent more than the \$222 market average price in the state in 2013 for an individual policy, the chart says.

Experts we reached agreed premiums in 2017 were up quite a bit from 2013. They also noted contrasts to take into consideration.

Michael Tanner, who studies health care reform for the libertarian-leaning Cato Institute, called HHS's reported percentage and other escalation estimates "in the ballpark." By phone, Tanner went on: "To try to pin it down to an exact percentage, that's why we don't (calculate) those numbers."

The Cornyn-cited HHS report itself offers clarifications, including:

- A reminder that the Obamacare law imposed coverage expectations not fully in place until 2014. "These included a number of changes to the types of insurance products that could be offered and the rules insurers could use to vary prices based on customer risk," a reference to the Obamacare law's mandate that insurers cover pre-existing conditions without imposing additional purchaser costs. "In most states," the report says, "these regulations increased insurance coverage requirements and would be expected, on average, to increase the price of ACA-compliant plans relative to pre-ACA plans all else equal."
- "This analysis," the report says, "does not account for the fact that the overall populations enrolling in the individual market in 2017 are different from those enrolling in 2013. Older and less healthy people are a larger share of the individual market risk pool now than in 2013. The changing mix of enrollees and adverse selection pressure has likely been a significant cause of the large average premium increases in the individual market over this four-year period," the report says.
- The research didn't consider premium changes in states including California and New York that set up their own online exchanges. "To the extent that trends are different in state-based exchanges," the report says, "the national average increase may differ" from the report's results.
- The report did not include premium changes on individual policies purchased privately, not through exchanges. In 2016, the report says, an HHS office estimated that the non-exchange individual market equaled 38 percent of total individual market enrollment.

Tanner and Craig Palosky of the Kaiser Family Foundation, which studies health care, each noted that a way to gauge changes in premiums since the Obamacare law took full effect is to look at changes in premiums for the benchmark "silver" health plan, the second-lowest-cost insurance offering sold on exchanges.

Our ruling:

Cornyn told a constituent that under the Obamacare law, health insurance "premiums have increased by more than 105 percent since" 2013.

This claim traces to an admittedly incomplete federal analysis of changes in 39 states that didn't endeavor to research premium changes in 11 states that run their own insurance exchanges. It's also worth clarifying that Obamacare policies must cover pre-existing conditions without penalty and that they generally provide more benefits than what was required in most states in 2013 — surely factors figuring into increased premiums.