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Premiums rise as insurers fret over law's future

Health insurers are asking for sharp increases in the cost of their Obamacare plans next year, thanks to instability in the law's coverage markets that's been compounded by the Trump administration.

In Maryland, Virginia and Connecticut — the first states to make filings public — premiums for Affordable Care Act plans will rise more than 20 percent on average, according to data compiled by ACASignups.net and Bloomberg. The increases follow years of rising premiums under ex-President Barack Obama.

The increases can be blamed in part on uncertainty among insurers about the strength of the law's requirement that people carry insurance. The Trump administration has raised doubts about whether it will enforce what is considered by some insurers to be an already insufficient penalty.

"Failure to enforce the individual mandate makes it far more likely that healthier, younger individuals will drop coverage and drive up the cost for everyone," Chet Burrell, Chief Executive Officer of CareFirst, said in a statement. The insurer is asking for an at least 50 percent increase in premiums in Maryland. Burrell said uncertainty over the mandate played a "significant role" in the insurer's rate requests.

The Affordable Care Act is at a critical juncture. Republicans and Trump want to repeal much of the law, and say the rising premiums are proof it isn't working. At the same time, many insurers point to a lack of support for Obamacare's programs as a reason for the increases, and have asked for help.

"It would be good to have some more aggressive stabilization efforts going on," said Joel Ario, a managing director at Manatt Health who previously worked on the Affordable Care Act at the Department of Health and Human Services. "Uncertainty equals higher premiums."

Health and Human Services Secretary Tom Price has said the administration will do what it can administratively to "support the reform effort by reviewing and initiating administrative actions to put patients, families and doctors in charge of medical decisions, bring down costs, and increase choices." Alleigh Marre, an HHS spokeswoman, didn't respond to a request for comment.

There are several other factors to blame for rising premiums, including underlying medical costs.

"We are seeing claims experience that reflects increased medical and prescription drug costs along with higher utilization," Connecticut Insurance Commissioner Katharine Wade said in a statement.

by Zachary Tracer and Anna Edney for Bloomberg

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