

Health & Science

Premiums for ACA health insurance plans could jump 90 percent in three years

By **Amy Goldstein** March 8 at 11:33 AM

Insurance premiums for Affordable Care Act health plans are likely to jump by 35 to 94 percent around the country within the next three years, according to a new report concluding that recent federal decisions will have a profound effect on prices.

The nationwide analysis, issued Thursday by California's insurance marketplace, finds wide variations state to state, with a broad swath of the South and parts of the Midwest in danger of what the report calls "catastrophic" average rate increases by 2021.

According to the analysis, the largest single impact will come from eliminating, starting in 2019, the ACA's penalty for Americans who violate the law's requirement that most people in the United States carry health coverage. That change alone, part of a massive tax bill Congress adopted in December, can be expected to increase premiums by 7 to 15 percent next year, depending on the state, and as much as 10 percent each of the following two years.

Also contributing to the escalating rates are the Trump administration's decisions to shorten the sign-up time for consumers to buy ACA health plans and to severely curtail marketing and other activities to encourage people to sign up.

The report anticipates a smaller effect from the administration's proposals to make it easier for consumers to buy two kinds of health plans with lower prices and skimpier benefits than the ACA allows.

An additional part of the increase will be driven by the rising use of medical care and its cost for people who get health plans individually — the type of insurance sold in the marketplaces created under the 2010 health-care law that Republicans have sought to dismantle.

The report notes that the ACA's federal insurance subsidies for marketplace coverage will cushion the rising rates for working-class and lower-middle-class customers. But middle-class customers who do not qualify for the subsidies could be stranded, unable to afford their health plans.

“The effect is going to be: The individual market will be poor people who get subsidies and sick people who buy no matter what,” said Peter V. Lee, executive director of Covered California, a state-run ACA marketplace that sponsored the analysis. “And the middle class will be priced out of insurance in about a third of America.”

Lee said the three-year increase — up to 94 percent, the analysis predicts — probably will be greatest in conservative states whose insurance regulators do not step in to block the two kinds of low-coverage plans the administration is trying to promote. Those are known as association health plans, which until now have been allowed only among small businesses that band together, and in an expansion of short-term health plans that have been permitted only as a brief bridge for people who are between jobs or have other needs for temporary coverage.

The report is the first to synthesize several other forecasts of the impact of different moves taken by the Trump administration and the Republican-led Congress on the health-care law. The review of other studies was led by the chief actuary of Covered California, who brought together a group of leading health policy researchers to come up with the report’s forecasts.

Amy Goldstein is The Washington Post’s national health-care policy writer. During her 30 years at The Post, her stories have taken her from homeless shelters to Air Force One, often focused on the intersection of politics and public policy. She is the author of the book "Janesville: An American Story."  Follow @goldsteinamy