



Written by [Bob Adelman](#) on January 2, 2014

More Hidden Costs of ObamaCare Coming to Light

The [latest tally](#) shows that ObamaCare enrollments are just over two million, falling far short of the estimated 3.3 million expected to sign up by January 1, and putting into serious doubt the goal of seven million by the end of March.

At first blush, the reason for the lackluster enrollment is the premium cost. Many people are learning to their dismay that they will be facing premium increases of 30 to 70 percent, or more. In some cases, [much more](#). For instance, a 27-year-old man in Memphis will see his premiums jump from \$41 a month last year to \$119 a month this year, a 190-percent increase. A 27-year-old woman in Nashville will be hit with a 97-percent increase.



In California, some 600,000 of those whose coverages have been cancelled will learn quickly that they don't qualify for subsidies, resulting in much higher premiums when they do find coverage.

In Alabama, premiums have doubled for some middle-class families, while in Washington State, premiums have increased between 34 percent and 80 percent.

According to the [New York Times](#), some people will simply find the premiums unaffordable, in some cases requiring more than 20 percent of their incomes. A 50-year-old man making \$50,000 a year looking for the cheapest plan, for example, would find premiums exceeding \$10,000 a year in more than 170 counties around the country.

And then there are the deductibles. As people shopping for coverage on the exchanges are finding out, in order to keep their premiums affordable, they are having to accept much higher deductibles — which is fine as long as they don't get sick.

In addition, there's the hidden surprise waiting for those who are enjoying subsidies to help them pay for the insurance. If they have a "major life event" like getting married, or getting a raise or a promotion with a higher salary, not only could the subsidy disappear but any subsidy they enjoyed prior [will have to be paid back](#).

As individuals are counting the costs, so are employers. Much has been said about smaller companies with more than 50 employees cutting hours, or offering part-time work, to avoid the ObamaCare mandates. But when the bean counters at larger companies start counting those same costs, comparing penalties versus increased premiums, many will likely terminate their group plans altogether and let their employees shop the exchanges for themselves.

There's the matter of "proportion." If not enough young people sign up to balance the costs of insuring oldsters, the premium calculations performed by health insurance company actuaries will soon prove to be wrong; in some cases, seriously wrong. Although premiums for 2014 are set in stone, those for 2015



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will be based on those proportions after the dust settles in 2014. One assumption is that 40 percent of those signing up will be in the crucial 18-34 age group, but preliminary estimates show that only 25 percent of those signing up are in that group.

There's "deferred maintenance" as well — those signing up having an immediate need for medical attention that they've been putting off. That could throw off insurance companies' assumptions as well.

The editors at the *Washington Post* [admitted](#), "It's still unclear how well the Affordable Care Act will function," but then asked their readers to stay calm and not jump to conclusions. After all, it's still early in the game.

On the other hand, Dan Holler, a healthcare analyst for the Heritage Foundation, noted that if ObamaCare succeeds in navigating all of these obstacles, "it'll be pure, irrational dumb luck. The program they designed, and the incentives they put in place, look destined to fail."

The clock is ticking as the November elections draw ever closer. Senate Democrats up for reelection who voted for the ACA are finding themselves facing unhappy constituents and newly energized challengers along with [critical TV ads](#) from conservative groups such as Americans for Prosperity.

A lot of pieces will have to come together over the next few months in order for ObamaCare to become functional, financially viable, and less politically toxic. At present, the smart money is betting on the skeptics.

A graduate of Cornell University and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at www.LightFromTheRight.com, primarily on economics and politics. He can be reached at badelman@thenewamerican.com



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