



Supreme Court Ruling on ObamaCare to Boost Insurance Premiums

Now that the Supreme Court has delivered its final verdict on ObamaCare, which upheld the law's contentious individual mandate, insurance providers and industry groups are warning of even greater premium increases on Americans' health plans. While President Obama touted the law as a cost-savior for the healthcare industry — going so far as to call it the "Affordable Care Act" — insurance premiums have consistently risen ever since the law was enacted.



America's Health Insurance Plans (AHIP), the industry's chief lobbying group, issued a statement following the ruling, stressing the importance of "secure, affordable coverage choices," but [saying](#) that "major provisions, such as the premium tax, will have unintended consequences of raising costs and disrupting coverage unless they are addressed." AHIP CEO Karen Ignagni [suggested](#) that due to the inflated costs, "it's time for people to roll up their sleeves and look very carefully at those provisions."

Proponents of the law claim ObamaCare will eventually lead to a sharp reduction in insurance premiums because there will be an overall larger pool of insured Americans. FamiliesUSA, an advocacy group for the healthcare industry, [called](#) the Supreme Court's ruling a "clear, unambiguous and complete victory for long-overdue health care reform."

The group added that the law's new regulations on insurance providers will also help consumers. "No one will be denied health coverage or charged a discriminatory premium due to a pre-existing condition, such as children with asthma or diabetes," it said in a press release. "People with major health problems, like those in car accidents, will be protected against arbitrary lifetime or annual limits in how much insurance companies will pay for needed care."

"The premiums paid for family health care rise by more than a thousand dollars simply to pay for the costs that have not been paid by the uninsured," FamilyUSA's executive director Ron Pollack echoed in an interview with Fox News. "So as those people get coverage, our premiums will go down."

AHIP counters those claims, citing a study by the Urban Institute that shows premiums for single policy holders, aged 18 to 34, will boost by \$1,400, from \$3,600 to \$5,000 a year.

According to a [September 2011 study](#) by the Kaiser Family Foundation, a nonprofit research group, annual premiums for employer-sponsored family health coverage spiked to more than \$15,000 last year, up a sizable nine percent from the previous year. The premium increase inflated much more quickly than employee wages (2.1 percent) and general inflation (3.2 percent).

Commenting on the analysis, president of the Health Research & Education Trust — which helped administer the study — Maulik Joshi said provisions in the law that will be implemented in the future could add to these costs, as he averred, "survey findings related to the impact of early provisions in health reform provide valuable insight for employers, providers, consumers, and policymakers as they



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prepare for additional provisions to take effect by 2014.”

Further, AETNA, the country’s fourth largest insurance provider, disclosed that its health plans increased from one to two percent. “While rate increases are never easy, our rates are based on actuarially sound data and reasonable projection of future cost, which will impact approximately 16,000 customers,” the company [affirmed](#) in a recent statement. “Our Medical Loss Ratio is at 86.7%, which is higher than any of the filed rates by our competitors. Medical loss ratio is the percentage of health insurance premiums that insurers use to provide health care to their customers.”

Also disconcerting is the potential for Americans to drop or lose benefits through their employer-sponsored health plans. Fox Business [explains](#) why:

An estimated 134 million Americans with full-time employment have health coverage through their companies. But about two-thirds of those firms could decide that, under Obamacare, their premiums are too expensive, according to a study by insurance broker Willis Group. Kevin McCarty, Florida insurance commissioner and president of the National Association of Insurance Commissioners, is among those who are “concerned about the potential for increased health insurance premiums and continued disruption to the stability of the marketplace” as a result of the ACA.

For companies that want to drop their own health insurance plans, the ACA offers an easy out: Pay a \$2,000 penalty per employee. That’s far less than the \$10,000 average cost of a health care plan. And that’s particularly true if you are a low-income or part-time worker at a company like McDonald’s or Walmart that doesn’t need to offer a Cadillac health plan to keep employees.

Reporting on the Kaiser study back in September, *The New American* [explained](#) that many employers are transitioning their workers to less comprehensive plans with higher out-of-pocket costs (higher co-pays, deductibles, and co-insurance) to curb rising premiums. As a result, 31 percent of insured employees in 2011 had at least a \$1,000 deductible, up from 27 percent in 2010 — which many critics are attributing to the president’s healthcare overhaul.

“Without any real national discussion or debate, there’s a quiet revolution going on in what we call health insurance in this country,” [says](#) Drew Altman, president and CEO of the Kaiser Foundation. “Health insurance is becoming less and less comprehensive ... And we expect that trend to continue.”

Photo: [Senior couple shocked by the high cost of their medical bills](#) via Shutterstock



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