

ACA Healthcare Premiums on the Rise in CA (Again)



The Affordable Care Act (ACA) may still be the law of the land (at least for the

moment) thanks to three GOP senators joining their Democratic colleagues to vote against repeal late last month, but that doesn't mean consumers should expect premium prices to resemble last year's when they shop for 2018 plans between November 1st and January 31st. Here at home, for example, monthly premiums in the state ACA exchange — Covered California — are expected to go up by 12.5%. This would be the second year that rates have hiked by more than 10% (last year's increase was 13%).

Around 1.4 million consumers purchase health insurance through Covered California (largely, people who can't rely on employers or government programs for coverage). Among those, around 400,000 qualify for tax credits that help lower premium payments; therefore, those consumers likely won't feel the 12.5% rate hike. However, the remainder purchase coverage without subsidy, and that increase will come out of their wallets. The rate jump will also be directly felt by consumers who obtain coverage through the individual market outside of Covered California.

Are federal subsidies in jeopardy?

Despite the recent ACA stay of execution, it's unlikely the GOP desire to repeal (with or without "replace") won't be resuscitated at some point. Trump has railed against Republicans for the repeal failure — especially Majority Leader Mitch McConnell (Ky.), who has struck back by saying that Trump's healthcare expectations were unreasonable. And, in case further evidence of his displeasure is needed, Trump has threatened to withhold subsidies to both consumers and insurance companies.

Those government payments to insurers are intended to offset some of their out-of-pocket expenses; they're estimated at around \$7 billion per year. Republicans have challenged them in court in the past, and with Trump's recent threat to withhold, whether they'll continue to be paid out is anyone's guess.

So even in the absence of repeal, Trump could single-handedly and effectively destabilize the insurance market. And despite his repeated campaign promises to the contrary, it seems he has no "tremendous" options with which to replace the ACA. Denying subsidies would represent the furthest thing from fixing American healthcare, however. And if the government doesn't reassure insurers by the end of this month that those subsidies will be available in 2018, silver health plans on the exchange are likely to rise an additional 12%.

It's not perfect, but CA's healthcare market is one of the stronger ones



In the face of all this uncertainty, though, and in the face of Trump's insistence that the ACA is failing on its own, California's market appears to be a good deal more stable than some other states', where some counties only have one insurer on the exchange (or even no insurers at all).

Peter Lee is the executive Director of Covered California. [He told the Associated Press](#) that although premiums have risen, still "[w]e in California ... are not just stable, but stable in a way that is truly working for consumers."

And Cynthia Cox, a researcher at the Kaiser Family Foundation, had this to say to the AP: "It looks like the market in California is still stable despite some of the uncertainty that is causing a number of exits in other states."

The Golden State has 11 insurers offering individual coverage through the exchange at present, and they will continue to be a presence in California next year, although Anthem Blue Cross is cutting back on its coverage territory. (In 2018, Anthem Blue Cross will only be active in rural portions of Northern California and the Central Valley, as well as Santa Clara County.) This territory reduction will result in around 10% of Covered California insureds needing to enroll in a new health plan.

Anthem cites the nation's healthcare uncertainty and a dwindling individual market for its shrinking coverage map. "As the Individual marketplace continues to evolve, Anthem will continue to advocate solutions that will stabilize the market to allow us to return to a more robust presence in the future," Anthem spokeswoman Jill Becher said in a statement.

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