



Budget Digest – Week of January 3rd

How Obamacare Has Failed Individuals and Families

The Affordable Care Act [ACA] has failed to live up to its name, to bend the cost curve in health care spending, or to reduce the costs of premiums and deductibles. Insurance coverage has grown too expensive to purchase or too expensive to use. In 2015, roughly 8 million Americans paid the individual mandate penalty rather than purchase too-costly health insurance. The 11 million people with effectuated ACA exchange coverage in 2016 was roughly *half* the original enrollment estimates for the year. In fact, the majority of Americans continue to disapprove of the Affordable Care Act. Why?

The ACA is Unaffordable

- President Obama promised premiums would decline by \$2,500 per family; in reality, average annual family premiums in the employer-sponsored market have soared by roughly \$4,300 and now total more than \$18,000 annually.
- On October 24, 2016, the Administration announced sharp premium increases for health insurance coverage on the Obamacare exchanges. These increases are nearly four times larger than previously projected, with the average benchmark plan increase across the country being 25 percent. Individual premiums in the employer-sponsored market are up 27 percent, double the rise in workers' wages (13 percent) and almost triple the cumulative inflation rate since 2010 (10 percent).
- Deductibles are also increasing under Obamacare. Deductibles for individual plans in the employer-sponsored market are up an average of 60 percent since 2010 – from \$917 to \$1,478 in 2016.



The ACA Reduces Access

- Access to care is more limited since Obamacare took effect, as more health plans narrow networks – limiting the number of physicians and hospitals covered under the plan – in an effort to reduce costs while still offering plans that meet the ACA's mandated requirements.
- For many patients, especially those in rural areas, there are too few in-network providers, and patients are forced to travel long distances to find a hospital and/or a doctor.



The ACA Diminishes Choices

- Despite the President's promise, "if you like your health care plan, you can keep it" – labeled by PolitiFact as the 2013 Lie of the Year – several hundred thousand people across more than a dozen States lost their plans due to the cancellation of policies that did not satisfy ACA-mandated requirements.
- Insurers across the country have dropped out of the ACA exchanges, reducing choices for millions of Americans to a single health insurance carrier. In 2017, five states – Alabama, Alaska, Oklahoma, South Carolina, and Wyoming – will have only one insurance provider, as will large sections of Florida, Missouri, Tennessee, and Utah.

