Media Clips

COVERED CALIFORNIA BOARD CLIPS
March 15, 2018 - May 8, 2018

Since the March 15 board meeting, high-visibility media issues include: California is leading the way in pushing back against the President's health policies, more Americans are uninsured than last year in states in the federal marketplace, and premiums will be on the rise for 2019 because of the removal of the penalty. The following clips represent a cross-section of media and coverage.

COVERED CALIFORNIA PRESS RELEASES AND REPORTS

Covered California Analysis Shows Major Declines in New Enrollment Nationally and Identifies Policies That Could Lower Premiums in 2019
April 25 3

Covered California Names Terri Convey New Director of Its Outreach and Sales Division
March 15. 6

PRINT

Articles of Significance

Gnawing Away at Health Care
The New York Times
May 7 8

Americans are starting to suffer from Trump's health-care sabotage
The Washington Post
May 6 10

Poll finds 4M lost health insurance in last two years
The Hill
May 1 11

Calif. Leads Nation In Pushing Back Against Trump Administration Health Policies
California Healthline
April 19 13

How Trump's Obamacare administrator is taking a hatchet to Obamacare
Los Angeles Times
May 17 16

Americans are sticking by Obamacare. If only the GOP would stop trying to kill it.
The Washington Post
April 16 19

Obamacare's Very Stable Genius
The New York Times
April 10 20

An ambitious California bill would put the state in charge of controlling prices in the commercial healthcare market
Los Angeles Times
April 9 23

California seeks to intervene to defend Obamacare in court
Los Angeles Times
April 10 . . . .

Obamacare premiums are still on the rise — here's how much they're increasing in every state
Business Insider
March 31. 26

States Try to Stabilize Obamacare Markets
Bloomberg
March 29. 27

Obamacare jacked up taxes on the 1 percent, gave $16 billion annually to poor
The Washington Post
March 28. 28

Head of Covered California says state will suffer from ACA assaults — just not as much as everywhere else
Center for Health Journalism
March 21. 30

California health insurance premiums could soar, analysis projects
San Francisco Chronicle
March 8. 32

Report Highlights Steps To Make Health Insurance More Affordable In California
KPBS
March 7. 33

News Release

Media line: (916) 206-7777 Email: media@covered.ca.gov

FOR IMMEDIATE RELEASE
April 25, 2018

Covered California Analysis Shows Major Declines in New Enrollment Nationally and Identifies Policies That Could Lower Premiums in 2019

- *Enrollment in the federally facilitated marketplace has dropped 9 percent over the past two years, with a nearly 40 percent drop in new enrollment, while enrollment in state-based marketplaces remained steady during the same period.*
- *Early data on off-exchange enrollment indicates that an additional 1.6 million unsubsidized middle-class Americans also left the off-exchange market over the past two years.*
- *Increased federal investments in marketing and outreach, from assessments collected for that purpose, could reduce premiums by 3.2 percent from 2019 to 2021 and save Americans $6.6 billion in premiums.*
- *Failure to act within the next few months will directly contribute to premium increases that could exceed 30 percent in many states in the federal marketplace.*

SACRAMENTO, Calif. — A new Covered California analysis finds enrollment in the federally facilitated marketplace (FFM) has dropped 9 percent over the past two years, driven by a nearly 40 percent drop in new enrollees, while the number of consumers signing up for coverage through state-based marketplaces (SBMs) has remained steady over that time.

The report, Individual Insurance Markets: Enrollment Changes in 2018 and Potential Policies That Could Lower Premiums and Stabilize the Markets in 2019, finds that the dramatic decrease in new enrollees in the federal marketplace, which coincides with decisions to pull back on marketing for federal marketplace states, will likely mean a less-healthy consumer pool and higher premiums to cover the sicker enrollees.

(more)

“Enrolling new consumers every year is critical to maintaining a healthy consumer pool and keeping premiums low,” said Peter V. Lee, executive director of Covered California. “The drop in new enrollees at the federal level is deeply concerning and can be tied directly to recent policy decisions to not spend resources available to promote enrollment — leading to increased premiums for millions of Americans who do not get federal subsidies.”

Lee noted that the administration canceled its marketing during the last week of open enrollment in 2017 and then dramatically scaled back its marketing and outreach efforts during the most recent open-enrollment period.

“We are seeing the results of the federal decision to cut marketing by 90 percent: fewer people enrolled, a sicker consumer pool and higher premiums that could leave many — particularly those who do not get any financial help — priced out of coverage,” Lee said. “With health insurance companies making decisions in the coming months about whether to participate in 2019, and what to charge, the time is now to take action to protect millions of consumers from unnecessarily high rates.”

Similar to Covered California, the FFM has collected revenue from its health plan assessment — amounting to $1.2 billion in 2018 — that does not require any appropriation and can be used in a variety of ways. Covered California allocates one-third of its assessment revenue to marketing and outreach, and if FFM did the same, it would invest more than $400 million[1], which should lower premiums by 2.3 percent in 2019 and save consumers and taxpayers $1.6 billion. Maintaining this investment over three years would lower premiums by an average of 3.2 percent and save an estimated $6.6 billion during that time.

“Insurance needs to be sold, and it does not make any sense to let that money go unused when millions of Americans are at risk of higher premiums,” Lee said. “The administration needs to act like a business and recognize that now is not the time to continue its policy of cutting back on marketing, which will directly result in higher premiums for millions of middle-class Americans.”

A previous Covered California analysis found that in the absence of Congressional action, premium increases in the individual markets will likely range from 12 to 32 percent in 2019 and cumulative premium increases from 2019 to 2021 will range from 35 percent to more than 90 percent in some states. (Read the full analysis here: https://coveredcanews.blogspot.com/2018/03/national-analysis-projects-2019-premium.html.)

While subsidized consumers would be insulated from premium increases, which would also increase the amount of financial assistance they receive, unsubsidized consumers would bear the full weight of the higher premiums. Covered California previously estimated that 6 million Americans on the individual market, both on- and off-exchange, do not receive subsidies and have a median income of $75,000.

Covered California noted that in addition to restoring and increasing investments in marketing and outreach, there are other policies that could protect consumers from significant premium increases. They include funding a state-based reinsurance program and expanding the existing subsidy program to make coverage more affordable for consumers.

Covered California sent the analysis, along with a letter detailing Covered California's observations and experiences, to Secretary Alex Azar of the U.S. Department of Health and Human Services and Administrator Seema Verma of the Centers for Medicare and Medicaid Services.

View a copy of the letter: http://www.coveredca.com/news/pdfs/04-25-18-CoveredCA-AzarVermaLetter-Final.pdf.

Read the full analysis: http://hbex.coveredca.com/data-research/library/CoveredCA_2018_Individual_Market_Enrollment_4-25-18.pdf.

About Covered California
Covered California is the state's health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California's consumers. It is overseen by a five-member board appointed by the governor and the Legislature. For more information about Covered California, please visit www.CoveredCA.com.

News Release

Media line: (916) 206-7777 Email: media@covered.ca.gov

FOR IMMEDIATE RELEASE
March 15, 2018

Covered California Names Terri Convey New Director of Its Outreach and Sales Division

- *Convey will oversee Covered California's sales strategy in both the individual and small-business markets.*
- *She will lead Covered California's Outreach and Sales Division to promote in-person enrollment, which supports more than 17,000 certified enrollment assisters and 800 storefronts across the state.*
- *Convey brings extensive experience to Covered California, having previously worked as Aetna's sales director for strategic initiatives and contact-center solutions, along with Humana and Coventry Health Care.*

SACRAMENTO, Calif. — Covered California Executive Director Peter V. Lee announced the board of Covered California's appointment of Terri Convey as the director of the Outreach and Sales Division.

Convey will oversee Covered California's sales strategy in both the individual and small-business markets, including working with thousands of insurance agents and other certified enrollers to ensure Californians have in-person assistance. She will also promote efforts to encourage consumers to keep their coverage once enrolled and renew their health insurance plans. The field sales program includes Covered California Certified Insurance Agents, Navigators and agency staff.

Convey arrives at Covered California from Miami, Florida, where she has been a high-ranking officer with Aetna, Humana and Coventry Health Care. She has worked in the health care industry for almost three decades.

"Terri's years of experience in health care — including her work as the sales director of individual and public exchange for Aetna in Florida — make her a perfect fit for Covered California," Lee said. "She has worked extensively with brokers, agents, sales teams and service center employees."

(more)

Convey will lead Covered California's system that supports in-person enrollment and works with more than 17,000 certified assisters who help consumers understand their health insurance choices and sign up for coverage.

Covered California's robust enrollment network includes more than 14,000 independent insurance agents, who work in neighborhoods across the state and speak a variety of languages, and more than 800 privately run storefronts where consumers can get free and confidential assistance.

Covered California provides agents with field-based outreach support staff, enhanced training and communications programs, a certified agent and enroller service center, a storefront and events program, a mobile-enhanced consumer-referral tool and access to branded collateral. Effectively supporting the certified enroller community across the state has been critical to successful enrollment efforts and has led to more than 50 percent of all consumers being enrolled with the support of person-to-person assistance from agents and other enrollers.

Convey will also be tasked with continuing the growth of Covered California for Small Business, which has experienced a double-digit membership increase for the third consecutive year. Currently, more than 43,000 individuals have insurance through Covered California for Small Business, representing a growth of approximately 27 percent in membership from the previous year.

Convey graduated from the University of Miami with a Bachelor of Arts degree in English and has worked in health plan sales since 1989. After spending the first half of her career in large-group sales, she has held management roles in small-group and individual sales since 2003 and was intricately involved with Aetna's efforts on Florida's exchange through last year. The annual salary for Convey's position is $189,996 and she will be reporting to Chief Deputy Executive Director Doug McKeever. She will start at Covered California on April 2.

About Covered California

Covered California is the state's health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California's consumers. It is overseen by a five-member board appointed by the governor and the Legislature. For more information about Covered California, please visit www.CoveredCA.com.

###

The New York Times

Gnawing Away at Health Care

Paul Krugman

At the beginning of 2017, Republicans promised to release the kraken on Obamacare — to destroy the program with one devastating blow. But a funny thing happened: Voters realized that repealing the Affordable Care Act would mean taking health insurance away from tens of millions of Americans. They didn't like that prospect — and enough Republicans balked at the backlash that Obamacare repeal fizzled.

But Republicans still hate the idea of helping Americans get health care. So instead of releasing the kraken, they've brought on the termites. Rather than trying to eliminate Obamacare in one fell swoop, they're trying to undermine it with multiple acts of sabotage — while hoping voters won't realize who's responsible for rising premiums and falling coverage.

Which is why it's important to place the blame where it belongs.

The first thing you need to understand is that Obamacare has been a highly successful program. When the legislation was passed, Republicans insisted it would fail to cut the number of uninsured and would blow a huge hole in the federal budget. In fact, it led to major gains in coverage, reducing the uninsured rate to its lowest level in history, at relatively low cost.

It's true that the coverage expansion was somewhat less than originally predicted, although the shortfall was much less than you may have heard. It's also true that after initially offering surprisingly cheap policies on the Obamacare exchanges, insurers found that the people signing up were sicker, on average, than they expected, leading to higher premiums. But as of last year, the markets appeared to have stabilized, with insurers generally profitable.

Nobody would claim that Obamacare is perfect; many Americans remain uninsured, and too many of those with coverage face troublingly high out-of-pocket expenses. Still, health reform delivered most of what its advocates promised and caused none of the disasters its opponents predicted.

Yet Republicans still want to destroy it. One reason is that much of the coverage expansion was paid for with taxes on high incomes, so repeal would be a way to cut taxes on the wealthy. More broadly, conservatives hate Obamacare precisely because it works. It shows that government actually can help tens of millions of Americans lead better, more secure lives, and in so doing it threatens their low-tax, small-government ideology.

But outright repeal failed, so now it's time for sabotage, which is taking place on two main fronts.

One of these fronts involves the expansion of Medicaid, which probably accounted for more than half the gains in coverage under Obamacare. Now a number of Republican-controlled states are trying to make Medicaid harder to get, notably by imposing work requirements on recipients.

What is the point of these work requirements? The ostensible justification — cracking down on able-bodied Medicaid recipients who should be working but aren't — is nonsense: There are very few people meeting that description. The real goal is simply to make getting health care harder, by

imposing onerous reporting and paperwork requirements and punishing people who lose their jobs for reasons beyond their control.

The other front involves trying to reduce the number of people signing up for private coverage. Last year the Trump administration drastically reduced outreach — the effort to let Americans know when and how to get health insurance.

The administration is also promoting various dodges that would in effect let insurance companies go back to discriminating against people in poor health. And when Congress passed a huge tax cut for corporations and the wealthy, it also eliminated the individual mandate, the requirement that people sign up for insurance even if they're currently healthy.

Preliminary evidence suggests that these efforts at sabotage have already partially reversed the coverage gains achieved under Obama, especially among lower-income Americans. (Curiously, all the coverage losses seem to have happened among self-identified Republicans.) But the worst is yet to come.
You see, G.O.P. sabotage disproportionately discourages young and healthy people from signing up, which, as one commentator put it, "drives up the cost for other folks within that market." Who said that? Tom Price, President Trump's first secretary of health and human services.

Sure enough, insurers are already proposing major premium hikes — and they are specifically attributing those hikes to G.O.P. actions that are driving healthy Americans out of the market, leaving a sicker, more expensive pool behind.

So here's what's going to happen: Soon, many Americans will suffer sticker shock from their insurance policies; federal subsidies will protect most of them, but by no means everyone. They'll also hear news about declining insurance coverage. And Republicans will say, "See, Obamacare is failing."

But the problem isn't with Obamacare, it's with the politicians who unleashed this termite infestation — who are doing all they can to take away your health coverage. And they need to be held accountable.

The Washington Post
Democracy Dies in Darkness

Americans are starting to suffer from Trump's health-care sabotage

Editorial Board

IT IS a tribute to the resilience of the United States' public and private institutions that, despite President Trump's incoherent management, the country has, by many measures, continued to improve, notching its lowest unemployment rate since 2000 in the latest federal employment update. But the effects of the president's underinformed instincts, enabled by the ideologues in his administration, are beginning to show up in some of the numbers, representing real pain that Americans are suffering for Mr. Trump's deficient leadership.

The Commonwealth Fund, a nonprofit foundation focused on health-care issues, announced last week that the rate of working-age Americans without health insurance in the group's annual survey rose to 15.5 percent, up about three percentage points since 2016. Things are worse in the 19 holdout states, such as Virginia, that have refused to expand their Medicaid programs: The rate of uninsured working-age Americans hit 21.9 percent in those areas, up nearly six percentage points over two years. Nationally, the spike has been particularly bad at the modest end of the income scale, rising nearly five percentage points since 2016 for low-income, working-age Americans.

Obamacare critics regularly describe all problems as the inevitable result of a poorly designed law. But the numbers suggest that the critics' sabotage efforts are to blame. After impressive declines during President Barack Obama's second term, the fund found that the uninsured rate increased in both of the years Mr. Trump has been in office. During the campaign, Mr. Trump regularly complained that the Affordable Care Act (ACA) left too many Americans uncovered. The result of nearly a year and a half of Mr. Trump's leadership is 4 million people added to that group.

Obamacare was never perfect. But Commonwealth Fund analysts noted that, rather than fixing the law's problems, Republicans have done concrete things to worsen them. "These include the administration's deep cuts in advertising and outreach during the marketplace open-enrollment periods, a shorter open enrollment period, and other actions that collectively may have left people with a general sense of confusion about the status of the law," they wrote. "Signs point to further erosion of insurance coverage in 2019: the repeal of the individual mandate penalty included in the 2017 tax law, recent actions to increase the availability of insurance policies that don't comply with ACA minimum benefit standards, and support for Medicaid work requirements."

Former health and human services secretary Tom Price, an architect of the GOP's anti-Obamacare campaign, admitted last week that repealing the law's requirement that all Americans carry health coverage means that "you'll likely have individuals who are younger and healthier not participating in that market, and consequently that drives up the cost for other folks within that market." Indeed, the fund found that 5 percent of non-elderly adults plan to drop coverage in response to the mandate repeal. That number may seem small, but if it is younger and healthier people dropping out, it will raise costs for everyone else.

States must do their best to fill gaps. They can establish reinsurance programs that help insurers with high-cost patients, impose individual mandates within their own borders and run open-enrollment advertising campaigns of their own. In some states, at least, the misery of going without health insurance might be easier to avoid.

Poll finds 4M lost health insurance in last two years
Nathaniel Weixel

About 4 million Americans lost health insurance in the last two years, according to a new survey from the Commonwealth Fund, which attributed the decline to actions taken by the Trump administration.

The uninsured rate was up significantly compared with 2016 among adults with an individual income of about $30,000 and a family income of about $61,000.

Additionally, people who identified as Republican also had significantly higher uninsured rates.

The uninsured rate among Republicans rose from 7.9 percent in 2016 to 13.9 percent in the current survey period, which was conducted between February and March of 2018. The uninsured rate among those who identify as Democrats stood at 9.1 percent, statistically unchanged from 2016.

The survey was conducted among 2,403 adults, ages 19 to 64.

The results indicate that the coverage losses are likely to continue.

About 60 percent of all adults surveyed said they were aware that the GOP tax bill included a repeal of the individual mandate penalty, and 9 percent of people who get their insurance through the individual market said they were planning to drop coverage as a result.

The Commonwealth Fund said the findings are likely the result of a lack of federal legislative actions to improve specific weaknesses in ObamaCare, as well as specific actions taken by the Trump administration, from repealing the individual mandate to allowing insurance companies to offer short-term health plans that don't have to cover pre-existing conditions.

The administration also slashed the advertising budget for enrolling people under ObamaCare by 90 percent, in addition to cutting funds for local groups that help people sign up for coverage.

Despite those cuts, the number of people selecting ObamaCare plans at the end of this year's open enrollment, 11.8 million, was not that much different from last year's 12.2 million.

Democrats and activist groups seized on the results, as well as comments made by former Health and Human Services Secretary Tom Price.

Price on Tuesday said the repeal of the individual mandate will drive up costs and result in people losing coverage, an argument the insurance industry has been making for months.

"Former Secretary Price's comments and the new Commonwealth Fund study continue to remove any doubt that Republicans and the Trump administration own any and all increases in health care premiums for

American consumers," Senate Minority Leader Chuck Schumer (D-N.Y.) said in a statement.

The Democratic Senatorial Campaign Committee (DSCC) also took aim at congressional Republicans

"Americans have had enough of Republicans making their health care more expensive. The GOP's sabotage of the health insurance system is having real, adverse impacts on middle class Americans — voters know who is to blame and they'll hold every Republican Senate candidate accountable for making their care less accessible and more expensive," DSCC spokesman David Bergstein said.

The survey had a margin of error of 2.8 percentage points, and the Commonwealth Fund noted that results from large federal surveys like the National Health Interview Survey (NHIS) will shed more light on the insurance trends. Early results from the NHIS showed the uninsured rate among the non-elderly basically unchanged in 2017 compared to 2016.

CaliforniaHealthline
The Daily Digest of News, Policy & Opinion

Calif. Leads Nation In Pushing Back Against Trump Administration Health Policies
Ana B. Ibarra

These days, when the federal government turns in one direction, California veers in the other — and in the case of health care, it's a sharp swerve.

In the nation's most populous state, lawmakers and other policymakers seemingly are not content simply to resist Republican efforts to dismantle the Affordable Care Act. They are fighting to expand health coverage with a series of steps they hope will culminate in universal coverage for all Californians — regardless of immigration status and despite potentially monumental price tags.

The Golden State embraced the health care law early and eagerly, and has more to lose than any other state if the ACA is dismantled: About 1.5 million Californians purchase coverage through the state's Obamacare exchange, Covered California, and 3.8 million have signed up for Medicaid as a result of the program's expansion under the law.

While other states are making efforts to preserve the ACA and expand coverage, California stands out by virtue of its ambition and size, economic clout, massive immigrant population and liberal bent.

Its health care resistance movement is broad and includes Attorney General Xavier Becerra, who has made a sport of suing the Trump administration. He is currently leading a coalition of 15 states, plus the District of Columbia, against a Texas-based lawsuit that seeks to strike down the ACA.

Even Covered California, the ACA marketplace, has jabbed at the feds. During the most recent enrollment period, which ended in January, it preserved its three-month sign-up window while the federal government cut the enrollment period in half for states that rely on the healthcare.gov exchange. Covered California also deployed a monster advertising budget of $45 million to encourage enrollment, while the federal government slashed its ad dollars to $10 million.

California's activism could be contagious, said Linda Blumberg, a fellow at the nonprofit research institution the Urban Institute.

"California has been in the forefront" on a lot of health policy issues, she said. To the extent that it is successful, she said, "that helps not only the state of California itself but other states as well."

Since last year, the federal government has allowed some states to impose work requirements on Medicaid recipients; promoted temporary health plans that have fewer consumer protections than Obamacare insurance; and, most recently, adopted a rule allowing states to lower the percentage of premium dollars that insurers are required to spend on medical care.

In response, California lawmakers are debating bills that would prohibit work requirements in Medi-Cal, the state's version of Medicaid; ban the sale of short-term plans in the state; and increase the percentage of insurance premiums that must go toward consumers' care.

"Look at what we've done in women's issues, climate change, protecting immigrants. … That's just the kind of thing we do. Health is no different," said state Sen. Ed Hernandez (D-West Covina), the

head of the Senate Health Committee and author of several proposals.

Four pending bills in California would provide some consumers with state-funded financial help to supplement federal subsidies created by Obamacare. One such proposal could cost the state about $500 million initially.

“We continue to move forward and push the envelope, now more than ever,” state Sen. Ricardo Lara (D-Bell Gardens) told a room full of physicians recently in Sacramento. Lara, a candidate for state insurance commissioner, is carrying a bill that would offer full Medicaid benefits to a group that’s never been covered before: adults who are in the country illegally.

“We not only play defense, but we want to make sure we’re more proactive,” he said.

California’s efforts to cover unauthorized immigrants under Medi-Cal predate the Trump administration. Achieving it now would represent not only a significant expansion of coverage within the state, but also a direct challenge to the federal government, which has made a point of cracking down on immigrants.

Critics point out that this spirit of defiance does not represent all Californians.

“We have some crazy things happening here,” said Sally Pipes, president of the conservative Pacific Research Institute. “Nobody talks about how to pay for these. Well, you pay for it in increased taxes.”

Sara Rosenbaum, a professor at the Milken Institute School of Public Health at George Washington University, said it’s no secret that President Donald Trump doesn’t like California — and that the feeling is mutual.

While she believes his administration might try to punish the state for its defiance, California will nonetheless persist in its campaign to defend the ACA and expand coverage.

“I’m sure [federal officials] can try to do a million things to make the state’s life miserable,” she said. “They can jerk it around on the federal Medicaid payments. … But I just think this, too, shall pass.”

It’s not clear whether the pending legislative proposals will succeed. Assuming any of the bills make it through the legislature, their fate lies with Gov. Jerry Brown, a Democrat known for fiscal conservatism.

“If the past is any indication, it seems unlikely that bills with sizable and uncertain ongoing costs will move forward,” said Shannon McConville, a researcher at the Public Policy Institute of California.

California is not alone in resisting health care policies put forth by the Trump administration. Other states, including Maryland and New Jersey, may establish state-based penalties for not having insurance — a response to Congress’ decision to kill the federal Obamacare penalty starting in 2019.

But California’s approach, characteristically, is different.

“Rather than use the stick, use the carrot,” said Hernandez. His bill would target $500 million from the state’s general fund to help some income-eligible Californians pay their premiums or out-of-pocket medical costs. This assistance would supplement the federal financial aid for those on the Covered California exchange.

The Senate Health Committee approved the bill last week.

The Congressional Budget Office estimates that about 4 million people nationwide will become uninsured when the tax penalty for not having insurance goes away. In California, the number would be about 378,000, according to a recent Harvard University study.

Three other bills would offer state-based financial aid to different groups of consumers, including those who make too much money to qualify for federal tax credits but still struggle to pay their premiums.

The biggest potential budget-buster of them all is a proposal to establish a single-payer health system, which was pulled from consideration last year, largely because of its eye-popping price tag: $400 billion annually.

Advocates for universal health care aren't giving up, though some have shifted their strategy to moving piecemeal toward universal health care in lieu of a massive single-payer bill.

"There are individual steps that we can still take to expand coverage to various populations that are falling through the cracks," said Gerald Kominski, director of the UCLA Center for Health Policy Research.

One of those populations, and a large one, is immigrants living without authorization in the country.

Lara is not the only legislator with a proposal to extend full Medi-Cal coverage to income-eligible adult immigrants without legal status. State Assemblyman Joaquin Arambula (D-Fresno) has introduced a separate bill that would do the same. Arambula's measure made it through the Assembly Health Committee on Tuesday, and Lara's bill passed the Senate Health Committee earlier this month.

Of the nearly 3 million Californians without insurance, about 58 percent are currently ineligible for full Medi-Cal benefits or Covered California insurance because they're not in the country legally.

California must "lead the nation in bold and inclusive polices" that support the health of all communities, said Arambula, who is an emergency room doctor.

In 2016, the state extended full Medi-Cal benefits to all children, and now more than 200,000 undocumented kids are enrolled. It's not clear how much it would cost to cover undocumented adults, but last year, the state budgeted $279.5 million for the children. Adults are generally more expensive to cover.

All of these measures, successful or not, add up to a campaign of defiance.

"It's a signal that California is willing to fight very hard, on multiple fronts … to protect certain values and policies," McConville said. "This shows we're not willing to go backwards on that."

Los Angeles Times

How Trump's Obamacare administrator is taking a hatchet to Obamacare

Michael Hiltzik

It's been well documented that the Trump White House has filled federal agencies with bureaucrats whose life work is destroying the very agencies they've been assigned to. But one is in a better position than her fellows to threaten the health of millions of Americans—and she's been working at that assiduously.

We're talking about Seema Verma, who as administrator of the Centers for Medicare and Medicaid Services also is effectively the administrator of the Affordable Care Act. In the Trump administration, that has made her the point person for the Trump campaign to dismantle the act, preferably behind the scenes.

Verma is a health consultant who had worked with Republican Indiana Gov. Mitch Daniels and his successor, Mike Pence, to fashion a healthcare program for low-income Hoosiers that was distinguished by its high deductibles and lock-out periods for enrollees who fell behind on their contributions to the plan. Verma labeled that punitive provision "a strong personal responsibility mechanism." In its initial iteration it was beloved by conservative pundits who don't have to worry about making ends meet, but rejected by the Obama administration, as it should have been.

We will not just accept the hollow victory of numbers covered.

Still, Verma had spent enough time in the healthcare field that observers thought she might not be totally egregious as CMS administrator. But then, during her confirmation hearing in February 2017, she let on that she didn't see why maternity coverage really needed to be mandated for all health policies, since "some women might want maternity coverage, and some women might not want it."

With that, as I wrote, she displayed either "utter ignorance about how health insurance works, or such desperation for this job that she's willing to profess ignorance and paper it over with conservative shibboleths about 'individual choice.'" Anyway, she seemed unaware that before Obamacare there was no such choice in the individual market, since maternity benefits simply weren't offered, at least at a price anyone could afford.

It wasn't an auspicious start. But since then she has lived down to our expectations. Verma never has concealed her hostility to Medicaid — especially Medicaid expansion, a provision of the ACA. Her animosity is fueled at least in part by ignorance (willful or otherwise) about the program. Back in November, on the very day that voters in Maine and Virginia were demonstrating full-throated support at the polls for expanding Medicaid in their states, Verma was unspooling a string of misleading statistics and suspect assertions about the program to support a policy of rolling back enrollment.

Badmouthing Medicaid is pretty much the opposite of what a Medicaid administrator should be doing. It's worse when there's so little truth to the attack. Verma's general theme was that simply enrolling more people in Medicaid wouldn't guarantee they'd get better care, and might even undermine the care provided to existing enrollees. Of the successful expansion of Medicaid rolls under the ACA, she said, "We will not just accept the hollow victory of numbers covered."

As we observed at the time, this was a remark of almost medieval stupidity. All the evidence available indicates that having coverage under Medicaid produces better health, including mental health, as well as improved family finances. Bringing millions more needy people into the program is no “hollow victory” by any standard. That’s especially so given that the evidence shows that Medicaid patients’ access to care, the quality of their care and their satisfaction with their care are commensurate with that of patients with employer-paid coverage, and hugely superior to the experience of people without insurance.

Verma’s subtext was one parroted by congressional Republicans and right-wing pundits like Ben Domenech of the Federalist (on a network political talk show, no less): The idea is that the Medicaid expansion cut into the resources available for traditional Medicaid, which was aimed at low-income families with children. The expansion also covers childless adults, whom conservatives denigrate as “able-bodied” recipients presumably undeserving of help.

In recent weeks and months, Verma has carried the spear for the administration’s continued attack on the ACA. Last month, after her superiors at the Department of Health and Human Services nixed an Idaho plan to eviscerate the ACA’s mandate of essential health benefits, she suggested to Idaho officials how they could circumvent the ACA’s mandate without being too obvious about it.

She has cleared Kentucky to impose work requirements on Medicaid applicants, a historic first that is probably illegal and almost sure to drive as many as 300,000 enrollees out of the program in the very first year. As 43 experts in healthcare law noted in a friend-of-the-court brief backing a challenge to the Kentucky plan, the addition of work requirements runs exactly counter to the purpose of Medicaid, which is to bring health coverage to more people.

The 43 experts pointed out that Verma’s agency has misrepresented the research it says justifies imposing work requirements on Medicaid. The agency says the research finds that employment leads to better health, so forcing people to find jobs is a boon to their health. But the government has it backward; the research shows that “healthy people are more likely to work, not that working makes people healthier.” In other words, place obstacles in the way of obtaining healthcare, and you’ll end up with a sicker, and less employable, population.

Back on April 5, Verma took to Twitter to “recommend” an article by right-wing healthcare pundit Sally Pipes calling the denial of insurance to people with preexisting conditions and jacking up premiums on older and sicker patients “two valuable strategies for keeping costs down.” (Well, yes, if you exclude sick people from coverage, it will be cheaper for everyone who’s left.) After her tweet was spotlighted by Jonathan Cohn of the Huffington Post, she hastily took it down — but Cohn had kept a screenshot.

The tweet has vanished, but we have a screen capture. Here it is, for posterity:

Recently, Verma has been talking about doing what ACA expert Charles Gaba called “the stupidest thing possible.” His reference is to a plan Verma has floated to outlaw the so-called silver loading strategy used by California and many other states to reduce the impact of what may be the second-stupidest thing possible, which was President Trump’s decision last year to cancel the billions of dollars in cost sharing reimbursements owed to insurance companies participating in the ACA.

The reimbursements, it may be recalled, covered the reductions in deductibles and co-pays provided to the neediest participants in the ACA. The ACA required the insurers to provide the reductions, but Trump took advantage of a glitch in the ACA to stiff the insurers. As a result, the insurers were poised

to raise premiums in 2018 to compensate for their unexpected new obligations.
The “silver loading” states allowed the insurers to load those higher premiums entirely on the benchmark silver ACA plans, which also set the level of premium subsidies the federal government pays for buyers with income of up to 400% of the federal poverty line.

This had several effects. It immunized most of the subsidized families from the premium increase, because the subsidies rose in tandem with the higher silver plan premiums. In some states, this even made higher quality gold plans cheaper than silver plans, because the subsidies rose so much that they covered more of the gold premiums; some bronze plans turned out to be free, because the higher subsidies covered their entire premiums. Silver loading also raised costs for the federal government, which was laying out more money for subsidies.

But the strategy was tougher on unsubsidized households, which would have to pay the higher premiums without any help.

Trump’s pick to run Medicare and Medicaid thinks maternity coverage should be optional. Here’s why she’s wrong

Verma last week told reporters she was considering barring silver loading. This would probably hurt both subsidized and unsubsidized buyers. As David Anderson of Duke observes, if silver loading is barred, “gold plans become very expensive for subsidized buyers and Bronze plans are less likely to be zero premium plans after subsidies.” He reckons this could lead to a 2% to 3% drop in enrollment of on-exchange buyers in many states. Andrew Sprung estimates on his xpostfactoid blog that as many as 2 million enrollees would be worse off from the various permutations of the proposed policy.

Trump and Verma would no doubt declare this a wonderful thing. But it would be a sign of pure ineptitude or pure malevolence (take your pick). “Having accidentally made Obamacare a little bit better,” writes Kevin Drum at Mother Jones, “they’re now desperately scuttling around for ways to make sure their sabotage works the way they wanted it to. Banning silver loading would do this.”

Republicans in Congress didn’t have the votes to repeal the Affordable Care Act, so they’ve taken to underhanded stunts to try to accomplish the same thing, with Trump’s help. Their actions include effectively eliminating the individual mandate, which will guarantee that the pool of ACA enrollees will be sicker next year than last year, driving up costs; and promoting cheaper, skimpier short-term health plans, which will leave their policyholders without crucial coverage or consumer protections just at the point they need these benefits for their health, while also draining healthier enrollees from full-benefit ACA plans.

These actions will almost certainly lead to a spike in premiums for 2019. “It’s just still a nasty soup right now that’s brewing,” Matt Eyles, a top executive at America’s Health Insurance Plans, the industry lobbying arm, warned at a Washington conference last week. Trump and his fellow Republicans will be entirely responsible for the fallout, but they’ll have Seema Verma to thank for running interference.

The Washington Post
Democracy Dies in Darkness

Americans are sticking by Obamacare. If only the GOP would stop trying to kill it.

Editorial Board

THE AFFORDABLE Care Act, also known as Obamacare, has endured attack after attack, yet it has not collapsed. Instead, it proves repeatedly that it fills a substantial gap in the U.S. health-care system. This should finally cause some reflection among those who have been trying to kill it.

President Trump's Health and Human Services Department admitted this month that 11.8 million people signed up for private insurance plans through the Obamacare marketplaces this year, despite slashed funding for advertising and an open-enrollment period that was shortened by half. HHS played up a rise in premiums relative to last year's, but most people on the Obamacare exchanges receive federal subsidies, keeping their costs steady. The average subsidized premium is only $89 per month.

People have voted with their enrollment decisions: A sizable number of Americans do not get insurance from their employers and value the coverage on Obamacare's markets. That refutes the GOP myth that the program forces Americans to purchase junk insurance that they do not want. A recent Kaiser Family Foundation poll found that these consumers seek to guard against major medical costs, to gain the peace of mind that comes with insurance and to obtain coverage for chronic medical care, suggesting that the law serves important and durable needs.

Another fictional Republican claim is that Obamacare has been collapsing. A Kaiser study this year found that insurance markets stabilized in 2017, despite Mr. Trump's best efforts to undermine the law. This comports with findings from the Congressional Budget Office and a range of other independent analysts.

But not all the news is good. Enrollment is down nearly 1 million people from a 2016 peak of 12.7 million. The decline came in states where the federal government is running insurance marketplaces; enrollment in the states that run their own marketplaces held steady. Some insurers have exited the market.

Then, too, Republicans have launched a new wave of attacks, the consequences of which won't be fully visible for months or years. Congressional Republicans eliminated Obamacare's individual mandate, setting it to end next year. As this year's enrollment figures suggest, many Americans who rely on the law's protections and subsidies will continue to buy Obamacare plans, but insurance customers who feel healthy will face fewer incentives to stay in the system, even if it leaves them one car accident away from financial ruin. New HHS rules also threaten to erode the enrollment of healthy customers in comprehensive Obamacare plans by promoting cheaper, skimpy plans, which will make it harder for insurers to maintain the financial stability of the plans that cover care for sick people. Meanwhile, Congress failed to pass any of the bipartisan Obamacare stabilization bills that lawmakers had negotiated.

Obamacare continues to serve an important need. What's sad to see is how easy it would be to make it even more useful, if Republicans would focus on improvement instead of sabotage.

The New York Times

Obamacare's Very Stable Genius

Paul Krugman

Front pages continue, understandably, to be dominated by the roughly 130,000 scandals currently afflicting the Trump administration. But polls suggest that the reek of corruption, intense as it is, isn't likely to dominate the midterm elections. The biggest issue on voters' minds appears, instead, to be health care.

And you know what? Voters are right. If Republicans retain control of both houses of Congress, we can safely predict that they'll make another try at repealing Obamacare, taking health insurance away from 25 million or 30 million Americans. Why? Because their attempts to sabotage the program keep falling short, and time is running out.

I'm not saying that sabotage has been a complete failure. The Trump administration has succeeded in driving insurance premiums sharply higher — and yes, I mean "succeeded," because that was definitely the goal.

Enrollment on the Affordable Care Act's insurance exchanges has also declined since 2016 — with almost all the decline taking place in Trump administration-run exchanges, rather than those run by states — and the overall number of Americans without health insurance, after declining dramatically under Obama, has risen again.

But what Republicans were hoping and planning for was a "death spiral" of declining enrollment and soaring costs. And while constant claims that such a death spiral is underway have had their effect — a majority of the public believes that the exchanges are collapsing — it isn't. In fact, the program has been remarkably stable when you bear in mind that it's being administered by people trying to make it fail.

What's the secret of Obamacare's stability? The answer, although nobody will believe it, is that the people who designed the program were extremely smart. Political reality forced them to build a Rube Goldberg device, a complex scheme to achieve basically simple goals; every progressive health expert I know would have been happy to extend Medicare to everyone, but that just wasn't going to happen. But they did manage to create a system that's pretty robust to shocks, including the shock of a White House that wants to destroy it.

Originally, Obamacare was supposed to rest on a "three-legged stool." Private insurers were barred from discriminating based on pre-existing conditions; individuals were required to buy insurance meeting minimum standards — the "individual mandate" — even if they were currently healthy; and subsidies were provided to make insurance affordable.

Republicans have, however, done their best to saw off one of those legs; even before they repealed the mandate, they drastically reduced outreach efforts in an attempt to discourage healthy Americans from enrolling.

The result has been that the population actually signing up for coverage is both smaller and sicker than it would otherwise have been, forcing insurers to charge higher premiums.

But that's where the subsidies come in.

Under the A.C.A., the poorest Americans are covered by Medicaid, so private premiums don't matter. Meanwhile, many of those with higher incomes — up to 400 percent of the poverty line, or more than $95,000 for a family of four — are eligible for subsidies. That's 59 percent of the population, but because many of those with higher incomes get insurance through their employers, it's 83 percent of those signing up on the exchanges. And here's the thing: Those subsidies aren't fixed. Instead, the formula sets the subsidy high enough to put a limit on how high premium payments can go as a percentage of income.

What this means is that of the 27 million Americans who have either gained coverage through the Medicaid expansion or purchased insurance on the exchanges, only about two million are exposed to those Trump-engineered premium hikes. That's still a lot of people, but it's not enough to get a death spiral going. In fact, for complicated reasons ("silver-loading" — don't ask), after-subsidy premiums have actually gone down for many people.

And that leaves the G.O.P. very, very frustrated.

From the beginning, Republicans hated Obamacare not because they expected it to fail, but because they feared that it would succeed, and thereby demonstrate that government actually can do things to make people's lives better. And their nightmare is gradually coming true: Although it took a long time, the Affordable Care Act is finally becoming popular, and the public's concern that the G.O.P. will kill it is becoming an important political liability.

What this says to me is that if Republicans manage to hold on to Congress, they will make another all-out push to destroy the act — because they'll know that it's probably their last chance. Indeed, if they don't kill Obamacare soon, the next step will probably be an enhanced program that lets Americans of all ages buy into Medicare.

So voters are right to believe that health care is very much an issue in the midterm elections. It may not be the most important thing at stake — there's a good case to be made that the survival of American democracy is on the line. But it's a very big deal.

Los Angeles Times

California seeks to intervene to defend Obamacare in court

Patrick McGreevy

California on Monday jumped into the middle of a legal dispute over the future of the federal Affordable Care Act, seeking to preserve the law that is under assault in the courts by 20 other states.

California Atty. Gen. Xavier Becerra announced he is part of a coalition of 16 attorneys general who have filed a motion to intervene in the lawsuit filed in February by Texas, Wisconsin and other states seeking to overturn the Affordable Care Act, which provides tax credits for coverage and requires coverage for patients with pre-existing conditions.

“It is an irresponsible action,” Becerra said of the Texas lawsuit. “It is a legally unsound action, and it is a dangerous action for millions of Americans who left the bad days of pre-existing conditions and the inability to get care for their children.”

The lawsuit by Texas challenges Obamacare as unconstitutional, arguing that because Congress has set the penalty for going without insurance at zero, it does not count as a tax. A 2012 Supreme Court decision had upheld the law as a tax.

The motion to intervene by California, New York and other states argues that Texas’ lawsuit is legally insufficient and would cause chaos in the healthcare market.

The federal law has resulted in a reduction in the number of uninsured in California from double digits to about 7%, according to Carmela Coyle, president and CEO of the California Hospital Assn., who joined Becerra at a Sacramento press conference to announce the legal action.

“We can’t let the politics in a handful of states risk and erode the gains that we have made here in this state,” Coyle said.

The intervention to oppose the Texas lawsuit also drew support from Gayle Batiste, a nurse at Dignity Northridge Hospital and president of SEIU 121RN, a union representing registered nurses. She said before the Affordable Care Act, many patients waited until their illnesses were serious before seeing a doctor.

“They were waiting to come into the ER because they could not afford the care,” Batiste said during the event.

The states seeking to intervene have received more than half a trillion dollars in federal funding to provide healthcare to their residents under the federal law, with California getting $160 billion of that money, Becerra said.

“It’s our intent to protect the health of California families,” he added, criticizing the Trump administration for what he said was its history of not defending the Affordable Care Act.

Los Angeles Times

An ambitious California bill would put the state in charge of controlling prices in the commercial healthcare market

Los Angeles Times
Melanie Mason

In one of the most aggressive efforts in the nation to curb soaring healthcare spending, a new California measure would put the state in charge of setting prices for hospital stays, doctor's visits and most other medical services covered by commercial insurers.

The bill, backed by labor unions and consumer groups, is certain to rouse fierce opposition from physicians and hospitals, setting the stage for a brawl between some of the Capitol's top lobbying heavyweights. Proponents also face friction on the left from advocates of single-payer healthcare, who espouse an alternate vision of how to overhaul the state's healthcare.

Despite the political hurdles, an effort to rein in prices is tantalizing for policymakers, as healthcare costs gobble up more of state budgets, employers' bottom lines and workers' paychecks.

"It's quite bold," said Kristof Stremikis, director of market analysis with the nonprofit California Health Care Foundation. "I'm not surprised that a proposal like this has been put forward. I don't think many people would disagree with the assertion that healthcare costs in the state are far too high."

The measure, which will be unveiled at a news conference Monday, would establish a commission that would set rates for healthcare services based off what the government pays for such services under Medicare.

The commission, which would be an independent state entity, would determine the rates for all services covered by commercial health plans, including those offered by employers to their workers and those sold in the individual marketplace. Public health programs, including Medicare and Medicaid, would not be affected by those price caps.

The proposal takes some inspiration from the model established by Maryland, in which the state sets the prices paid by all payers — including insurance companies and public healthcare programs — for hospital services.

Assemblyman Ash Kalra (D-San Jose), who is carrying Assembly Bill 3087, said the measure marks a shift in the healthcare debate, from maximizing insurance coverage to addressing the cost of care.

"Access must be coupled with affordability," Kalra said. "Just having access to healthcare by itself doesn't mean you're going to get the healthcare you need."

But opponents counter that capping prices could inhibit patients' ability to get care by driving doctors out of the state and hospitals to scale back services.

Dr. Theodore M. Mazer, a San Diego ear, nose and throat specialist who is president of the California Medical Assn., called the bill a "poorly conceived, unprecedented threat to patient access to health care."

“This dangerously flawed legislation would result in government-sanctioned rationing of care and higher out-of-pocket costs for patients,” Mazer said in a statement. “It would also likely cause an exodus of practicing physicians, which would exacerbate our physician shortage and make California unattractive to new physician recruits.”

U.S. healthcare tab to keep rising, led by higher costs for drugs and services, government report says

Driving the measure is the country’s escalating healthcare spending, which is by far the highest in the world. The United States spends about 18% of its gross domestic product on healthcare, nearly doubling the average of other advanced industrialized nations, according to the Organization for Economic Cooperation and Development. Although U.S. spending on public programs is generally on par with other nations, spending in the private sector outpaces similar countries. Numerous studies have found high prices are to blame for that widening gulf.

“We know what’s driving this cost. It’s actually not utilization; it’s not going to the doctor too much,” Stremikis said. “It’s the prices we’re paying for individual services.”

Economists point to several reasons for the climbing prices, including inflation, expensive new technologies and an aging population that costs more to treat.

More significantly, consolidation among hospital systems and physician groups have led to fewer providers taking up more concentration in the healthcare market, giving them leverage to negotiate higher prices with health plans, unions and other purchasers.

Californians have felt the sting of high costs. From 2002 to 2016, premiums for those who get insurance through their employer have gone up more than 240%, according to the California Health Care Foundation. Overall inflation went up about 40% during that time.

Some health economists caution that getting the government involved in setting prices is a complicated proposition.

“I’m not a big fan of government rate regulation,” said Glenn Melnick, a professor of healthcare finance at USC. “It makes all the decisions on behalf of consumers. Once you set prices, you indirectly set levels of quality, service, waiting time — everything else is driven by that price decision.”

The bill’s sponsors say their proposal has built in flexibility to the cost controls by setting up an appeals process, allowing healthcare providers to contest a decision by the commission if they can prove it would cause financial hardship.

“It’s not that you can’t charge over the benchmark, it’s that you have to justify why,” said Anthony Wright, executive director of Health Access California, a consumer advocacy group.

Dietmar Grellmann, a senior vice president with the California Hospital Assn., called the appeals process “an empty promise.”

“The whole purpose of this bill is to reduce payments to hospitals,” Grellman said. “No matter what happens, they’re taking money out of the system. All the appeals process would do is adjust the amount of losses.”

The measure also would require the commission to track all health expenditures in the state and set a goal for those costs in the future. That approach, known as “global budgeting,” would allow the state to keep track of overall spending and intervene if that trajectory seems too high.

“A commission looking at costs, looking at what drives it, looking at who the actors are — you can call out people [responsible for high prices],” said Richard Scheffler, a health economist with UC Berkeley. “That could be very, very powerful.”

California sues Sutter Health, alleging the hospital system unfairly inflated costs for patients »

The bill has been embraced by some of the state’s biggest labor groups, including the California Labor Federation. Union organizers say growing healthcare costs dominate contract negotiations with their employers and cut into the take-home pay their workers receive.

“It’s the big elephant in the room. Between the workers and the employer, we throw proposals back and forth about healthcare: How much are you going to cover? How much are we going to cover?” said Nick Javier, a server at the Westin St. Francis hotel in San Francisco and a member of Unite Here, the hotel workers’ union.

But healthcare providers signaled intense opposition, arguing the plan would fundamentally upend medical care in the state.

Grellman, of the hospital association, said that by not addressing Medi-Cal and Medicaid, the proposal amounts to “tinker[ing] around the edges.”

“You’ve got this wobbly table that is going to continue to wobble,” Grellman said. “It’s not a comprehensive solution. The comprehensive solution probably needs to include Congress.”

The California Assn. of Health Plans said it was reviewing the plan, but said it has opposed price regulations in the past, including a 2014 ballot initiative that would have given the state insurance commissioner power to block rate hikes that were deemed excessive.

“Remember that voters soundly rejected rate regulation four years ago when they defeated Proposition 45 by a 59-to-41 [percent] vote — because they know that government price controls do more harm than good when it comes to keeping costs down and providing access to healthcare,” said Charles Bacchi, the group’s president.

The proposal also faces skepticism from advocates of single payer, who mounted a vigorous effort to push universal state-financed healthcare last year. That bill, Senate Bill 562, was shelved in the Assembly.

Stephanie Roberson, director of government relations for the California Nurses Assn., said the new measure was a “piecemeal approach” that is philosophically at odds with the drastic overhaul of SB 562, which the union sponsored.

“The sponsors and the author are going to incur the same wrath from the insurers, from hospitals and others as they would with single payer, so why not move forward on a solution that would fundamentally solve this problem?” Roberson said.

Further complicating the effort is timing: By unveiling the bill in April, supporters have little more than four months to mount a major legislative push. Still, proponents insist they have girded for battle.

“When they tell us it’s a big fight — you’re damn right it’s a big fight,” said Roxanne Sanchez, president of SEIU California. “But if we don’t have it, we’re going to be extinct anyway. Our households can’t afford it.”

BUSINESS
INSIDER

Obamacare premiums are still on the rise — here's how much they're increasing in every state

Bob Bryan

Affordable Care Act premiums are headed in the same direction as last year: higher.

According to a new study from the Urban Institute and the Robert Wood Johnson Foundation, premiums in the Obamacare exchanges — which provide insurance for people who do not get coverage through work or a government program like Medicaid — jumped 32% nationally for the lowest-cost silver-tier plan, as well as 19.1% for gold-tier plans.

There are a variety of reasons for the increase in premiums from last year, according to the study, ranging from Trump administration actions to unresolved deficiencies in the individual insurance market.

"The premium increases reflect significant policy changes and policy debates specifically affecting insurer decisions for the 2018 plan year as well as more typical annual considerations such as trend and healthcare costs," the researchers wrote.

Bloomberg

States Try to Stabilize Obamacare Markets

Sara Hansard

With Congress not likely to provide funding to help stabilize the Obamacare markets, some states are moving along with plans to set up their own programs to reduce premiums for 2019 but time is running short.

Wisconsin, Maryland, and Hawaii are the furthest along with plans to set up reinsurance programs that provide health insurers with funding to cover high-cost claims. The District of Columbia, Rhode Island, and Vermont are considering proposals to create their own individual mandates after Congress eliminated tax penalties for not having qualified coverage.

Wisconsin is the furthest along in creating a reinsurance plan. The state has enacted legislation allowing it to apply for a waiver of the Affordable Care Act to set up a $200 million reinsurance program. The program would reduce 2019 premiums by a projected 10 percent, a spokeswoman for the state's insurance regulator told me. The average rate increase in Wisconsin's individual market was 42 percent for 2018, she said.

Maryland Gov. Larry Hogan (R) is expected to sign legislation allowing it to also apply for federal permission to create a reinsurance program, Maryland Sen. Thomas Middleton (D), chairman of the state Senate Finance Committee and primary sponsor of the Senate bill, told me.

Between $300 million and $400 million would be provided for payments to health insurers to cover high-cost claims under the legislation, Maryland Insurance Commissioner Al Redmer told me. That would reduce premiums by about 20 percent, which in turn would reduce the amount the federal government must pay under the ACA to cover premium tax credits for exchange enrollees with incomes between 100 percent and 400 percent of the federal poverty level.

Without the legislation, Maryland would potentially face premium increases of as much as 50 percent in 2019, Redmer said. Such increases could be "the catalyst for the market to implode," he said.

Bills have been introduced and discussions have taken place in other states about reinsurance plans, but "realistically, it's going to be a relatively small number that move forward" for 2019, Justin Giovannelli, associate research professor at Georgetown University, told me.

In addition to having to come up with some funding of their own, which is always difficult for states, many state legislatures have closed are will close soon, he said.

The Washington Post
Democracy Dies in Darkness

Obamacare jacked up taxes on the 1 percent, gave $16 billion annually to poor

Jeff Stein

The 2010 Affordable Care Act ratcheted up taxes for the richest Americans while redirecting more than $16 billion to the poorest income bracket in the country, according to a report from the Congressional Budget Office.

Several new taxes in the law — often referred to as Obamacare — increased the average tax burden of the richest 1 percent of Americans by about $21,000 per year, decreasing their average annual income by about 1.2 percent, the CBO said in the report. The richest 20 percent of Americans paid, on average, an additional $1,100 annually because of these new taxes, the biggest of which include a tax on investment income and another on health insurers.

The provisions to raise money for the ACA did not go into effect until 2013, three years after the law's passage. The CBO's report is based on data from 2014 and does not include tax data since then. (The CBO report, which tracks American income inequality broadly, says there was not available relevant data for the years since.)

[Republicans knock holes in Affordable Care Act but don't demolish the law]

The report also shows the ACA boosted incomes for those at the bottom of the income distribution, primarily through expanding Medicaid, the nation's health insurance program for the poor, to millions more Americans.

The law increased the average income of the poorest 20 percent of Americans by $690 per person, and the average income of people in the second-poorest income bracket by an average of $560 per person. (The CBO counted social insurance benefits, including federal health care expenditures, as "income" for this analysis.)

Overall, Obamacare raised the average income of the poorest income bracket by nearly 4 percent. The law lifted the income of the second poorest bracket (with an average annual income of $42,000) by about 1 percent.

In 2014, the federal government spent close to $38 billion on Medicaid expansion, and more than half of that money went to the bottom 40 percent of income earners, according to CBO. Separate tax credits to low-income Americans on Obamacare's individual markets cost the federal government $15 billion, while subsidies to help insurance companies offset the cost of expensive patients cost an additional $3 billion, the report said. A majority of both these funds also went to the poorer half of the country.

The CBO's findings about Obamacare come at an uncertain moment for the law. Congressional Republicans struck a key provision of the Affordable Care Act through their tax bill last year, eliminating the individual mandate, which penalizes Americans who do not buy health insurance. Subsequent congressional budget deals also delayed several of the law's tax increases, primarily on industry. But only one of those, the health insurance tax, was used for this CBO analysis, and it has already gone back into effect, according to Larry Levitt, a health expert at the Kaiser Family Foundation.

Republicans have chipped away at the law in other ways that could diminish its generosity for poorer Americans. President Trump has opened the door for states to impose work requirements and other penalties on Medicaid populations, which experts say could push millions of low-income Americans off the program. The administration has also cut funding for outreach to potential enrollees in the law's insurance exchanges. Eliminating the mandate alone will cut federal health spending by $338 billion over 10 years and reduce the number of uninsured people by 13 million, the CBO said last fall.

But the law's tax increases on the rich largely remain intact. Penalties for violating the individual mandate accounted for about $2 billion annually of the $40 billion raised under Obamacare through new taxes. The biggest tax passed under the Affordable Care Act, the one on investment income, remains in place, and nearly 100 percent of it was paid by Americans in the top income bracket.

"The ACA has been wounded through Republican efforts, but the big benefits to low-income people are still intact," Levitt said. "Redistribution is controversial, and that's what made passage of the ACA so remarkable."

Center for Health Journalism

Head of Covered California says state will suffer from ACA assaults — just not as much as everywhere else

Ryan White

This past year has been one of chaos and uncertainty for health insurance plans in the individual market, but California's full embrace of the Affordable Care Act has in many ways insulated the state from larger national trends of lagging enrollments, skyrocketing premiums and slashed marketing budgets. Other states have it far worse.

That was one of themes Peter Lee, executive director of Covered California, stressed to reporters at the 2018 California Fellowship this week. Health care is still local, he said. "The issues facing California are very different than those facing Tennessee."

For example, California has fared better than most other states on the so-called "empty-shelf" problem, in which insurers won't enter or stop selling plans in some counties. While about 30 percent of Americans have only one plan to choose from in their marketplaces, only 5 percent of Californians share that predicament (residents of Monterey County, for instance).

Or consider ACA marketing budgets, which play a pivotal role in helping health exchanges recruit new enrollees, in turn creating a more balanced insurance risk pool and lower premium hikes. The federal government spent $10 million for 39 states that rely on the federal marketplace this past enrollment season. California, by comparison, spent more than $111 million on its own. "The federal government cut back dramatically on marketing — phenomenal cutback," said Lee, adding that new enrollees dropped from 4 million to 2.5 million in federal marketplace states this past enrollment season. "They kept people in, but didn't get new people in."

The big spending deal announced by Congressional leaders this week didn't include measures to stabilize the Obamacare markets. Lee says such a package "is really, really needed." Without such steps to reinforce the markets, premiums will soar, according to Lee.

"Absent stabilization, over the next three years premiums could go up, on the low end, 35 percent in California," Lee said. "But in much of the nation, premiums double — a 94 percent increase."

Lee identified 17 states facing such "catastrophic" premium increases, including Michigan, Pennsylvania and New Jersey.

While the threats to the stability of the exchange markets are many, ACA plans could be further imperiled by new rules put forth by the Trump administration that permit "skimpy" short-term insurance plans as well as association health plans.

"These I think are bad, on the record," Lee said.

Such plans can deny policies — or charge more — for sicker enrollees, impose lifetime spending limits, and leave out benefits for categories such as mental health care. Critics see them as a return

to the bad old days of health insurance. Plus, these cheaper plans could siphon off healthier people, tilting the risk pool for ACA plans to sicker people, in turn triggering further rounds of potentially drastic premium hikes. “Healthy people will buy crappy products,” Lee said.

Or worse, a growing number of healthy people may decide not to buy any products at all. Lee called the repeal of the health insurance mandate by Congress in December “very, very bad news.” About 18 percent of California’s individual market won’t sign up without the penalty, he said, “and that may impact our premiums by 7 percent.” Other states could see hikes closer to 15 percent in one year, he added.

In Maryland, legislators have proposed replacing the repealed federal mandate to buy health insurance with a state version. Might California follow their lead? Despite California’s overwhelmingly Democratic legislature, Lee wasn’t bursting with optimism.

“The penalty as a matter of policy makes a world of sense,” Lee said. “That said, the politics are not as easy. No one wants to be the author of the legislation, which is, ‘Eat your spinach.’ It’s not fun legislation to pass.”

Despite Lee’s optimism about California’s ability to weather efforts to undermine the Affordable Care Act, he says Covered California’s exchange could be in peril over the long run if the individual market collapses in much of the rest of the country.

“We do a lot of policy education nationally, not because we think we’re about to go down the toilet,” Lee said. “That’s not California. We’re going to do OK. But if we don’t have a national working solution, California is at risk.”

San Francisco Chronicle

California health insurance premiums could soar, analysis projects

Catherine Ho

Across the country, people who buy health insurance on exchanges could see their premiums rise between 12 and 32 percent in 2019, according to an analysis released Thursday by Covered California, the state exchange that sells insurance to 1.2 million residents who don't receive health coverage through their employers.

"Consumers will see a premium increase show up on notices in September and October for their January 2019 premium," said Peter Lee, executive director of Covered California.

Prices for insurance will continue to rise after that, Covered California's analysis predicts. California is among 15 states that are expected to see premiums jump 35 percent by 2021, compared with current rates. Nineteen states could see premium hikes of 50 percent. And 17 states could see a whopping 90 percent increase in insurance premiums.

These rate increases apply to the roughly 10 million Americans who receive federal subsidies to help pay for premiums, as well as the 6 million who do not. The former group may be sheltered somewhat from the price increases because their subsidies should go up as well; the latter group will be hit harder because they earn too much to qualify for this financial assistance.

States like California that have a large number of people enrolled in insurance in the individual market, and a relatively healthy risk pool, are more likely to be in the lower range of the impending increases. California has one of the lowest percentages of people with chronic conditions in its exchange because overall enrollment, including healthy people, is higher than that of most states.

Since 2014, the year Covered California began, insurance premiums rose an average of 4 percent in each of the first two years, 13 percent in 2017 and 12.5 percent in 2018.

The predicted increases are driven by the rising cost of medical care, paired with actions taken by Congress and the White House since 2017 that have injected uncertainty in the insurance market. The individual mandate, the requirement under the Affordable Care Act to buy insurance or pay a tax penalty, will no longer be in effect starting in 2019 because Congress repealed the mandate as part of a tax bill passed in December. The elimination of the mandate will drive premiums up between 7 and 15 percent in 2019, according to Covered California's chief actuary John Bertko, who wrote the analysis. The underlying medical trend rate accounts for another 7 percent increase each year.

The Trump administration has also loosened regulations around the sale of cheaper, less comprehensive insurance plans. Experts predict this will separate the individual market into two pools: healthy people who will gravitate toward the less expensive, less comprehensive plans, and sick people who will be left paying costlier premiums because they need more protective plans.

Report Highlights Steps To Make Health Insurance More Affordable In California
Kenny Goldberg

Despite financial assistance available through the Affordable Care Act, health insurance remains out of reach for many Californians.

A new report from the UC Berkeley Labor Center outlines some concrete steps the state could take to solve the problem.

The report said with the expiration of the federal mandate to buy insurance next year, California could impose its own mandate with a tax penalty for violators. The state could use the money to help consumers pay premiums and out-of-pocket costs.

Another idea would be for California to offer state subsidies on top of the federal subsidies available through the Affordable Care Act.

Laurel Lucia, director of the health care program at the UC Berkeley Labor Center, said it's not a radical idea.

"Massachusetts and Vermont have already implemented a policy like this," she said. "They provide additional financial assistance with premiums, to certain people who are eligible under the Affordable Care Act."

The report found affordability remains a challenge for the 2.3 million Californians who buy insurance on the individual market, and the 1.2 million Californians who are eligible to buy through Covered California but remain uninsured.