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Congressional Report: Obamacare Leads to Skyrocketing Premiums, 200 Percent Possible

Wednesday, March 20, 2013 03:38 PM

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An exhaustive study by three congressional committees delivers startling news about the dire effects of Obamacare: President Barack Obama's signature legislation could increase health insurance premiums by over 200 percent and render insurance coverage unaffordable for millions of Americans.

Broadly, the new report declares that Obamacare "breaks its core promise" to make healthcare coverage affordable.

The report, "The Price of Obamacare's Broken Promises," was prepared by the House Committee on Energy and Commerce, Majority Staff; Senate Committee on Finance, Minority Staff; and Senate Committee on Health, Education, Labor and Pensions, Minority Staff.

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"Studies and analyses from the Congressional Budget Office, independent actuaries, state insurance commissioners, health plans, benefit consultants, and others have reached the same conclusion: Obamacare will significantly increase premiums," the congressional report states.

"Some estimates show some Americans facing startling premium increases of 203 percent because of the law.

"Higher healthcare premiums are the last thing single young adults and working families can afford. Yet contrary to what the president promised, that is exactly what Obamacare is projected to do."

When Obamacare's most costly requirements go into effect in 2014, households earning as little as \$46,000 a year will receive no premium assistance, yet will be forced to accept "unaffordable" premium increases, according to the report.

The Affordable Care Act will have an especially harsh impact on young Americans ages 21 to 29 — those with individual coverage will see their healthcare premium rise by an average of 189 percent.

The report points to several factors that will result in significantly higher healthcare costs for Americans:

- The healthcare reform bill mandates that individuals pay the same premiums regardless of future anticipated medical expenses, leading to sharply increased premium costs for those under 50.
- Obamacare requires that individuals purchase coverage that includes a range of "essential" health benefits, including coverage for preventive services, chronic disease management, and rehabilitative

services, thereby restricting consumers' choice in the design of their health plans and adding to their insurance premiums.

- The law imposes \$165 billion in new taxes and fees on health plans, drug manufacturers, and device makers, and these costs will be largely passed on to consumers in the form of higher premiums. One study cited by the report predicts that Obamacare's health insurance tax will boost premiums by more than \$7,000 over a decade.

The report notes that a number of states have already imposed requirements on health coverage and the result has been fewer choices and higher premiums.

In New York, for example, a 30-year-old male paid an average of \$1,200 a year in annual premiums in 1993, but one month after the state passed Obamacare-like reforms, premiums soared to \$3,240.

At the time Washington state passed similar reforms, 19 insurance carriers wrote policies for state residents. Within six years, only two carriers remained in the state.

According to the report, even the left-leaning Center for American Progress acknowledged that "Massachusetts along with several other northeastern states passed insurance market reforms similar to those in the Affordable Care Act, eliminating or restricting the ability of insurance companies to discriminate against the ill either in prices or coverage exclusions. The result in each state was very high nongroup insurance prices."

The congressional report also warns, as others have previously, that Obamacare's requirement that insurers cover pre-existing conditions will allow many relatively healthy Americans to delay buying insurance until medical attention is needed, thereby leaving less healthy individuals in the insurance pool and raising premiums.

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The report concludes: "Taking into account empirical evidence from past state-level experiences, as well as future projections, upon implementation Obamacare will make coverage dramatically more expensive and unaffordable for individuals and families.

"In short, Obamacare breaks its core promise to make healthcare coverage affordable as Americans across the country swallow higher premiums. For young adults to middle-class families, higher premiums will soon be the harsh reality of Obamacare."