

Four Ways Republicans Are Sabotaging Health Insurance Markets

For the past seven years, Republicans have taken a number of steps to undermine the success of health insurance marketplaces. As insurers announce higher premiums in 2018 or take steps to exit marketplaces altogether, here's a look at four ways Republicans have caused these actions:

1. Passing TrumpCare & Refusing to Improve the Affordable Care Act (ACA)

The TrumpCare bill passed by House Republicans would take away coverage from 23 million Americans; increase premiums and out-of-pocket costs for millions of Americans; discriminate against Americans with pre-existing conditions; and impose an age tax on older Americans. But Senate Republicans have declined to take up this bill and are now writing their own TrumpCare bill. It remains unclear whether they will be able to pass it. In the meantime, insurers do not know what will be law in the next year and, as a result, are unable to plan and commit to participating in the Affordable Care Act marketplaces.

While Republicans still haven't reached consensus among themselves on TrumpCare, they have refused to work with Democrats to improve the ACA for all Americans and address challenges still facing the nation's health care system. For seven years, they have been stonewalling – yet they still don't have a bill that can pass both chambers and be signed into law.

2. Legal Challenges

State Republican leaders refused to implement the ACA and pursued legal challenges in the courts, including a lawsuit challenging the constitutionality of the law filed in 2011. The following year, the Supreme Court upheld the constitutionality of the law in *NFIB v. Sebelius*, but it also ruled that the federal government could not compel states to expand coverage through their Medicaid programs. With 19 Republican Governors refusing to expand Medicaid to all those eligible under federal law, consumers face higher premiums in those states. The [Urban Institute](#) predicts if all states expanded Medicaid, 5 million uninsured Americans would gain coverage. According to a 2016 [report](#) by the Office of The Assistant Secretary for Planning and Evaluation, premiums are about 7% higher in states that did not expand Medicaid.

In 2014, Republicans filed a politically-motivated lawsuit seeking to end cost-sharing reduction payments, which reduce out-of-pocket costs for low-income working families and ensure the continued stability of insurance markets. Republicans in Congress continue to stoke fear and market instability by delaying the legal proceedings and denying certainty for insurers over whether the payments will be made as they set premiums for 2018. In addition, President Trump has issued numerous reckless threats to stop making these payments, sending insurance markets into a tailspin. Already, health care insurers in several states have announced they are exiting the Marketplaces in 2018 as a result of the uncertainty Republicans have created.

3. Weakening the Law

Immediately upon taking office, President Trump signed an executive order that instructed agencies to weaken the Affordable Care Act by not enforcing certain provisions. By signaling to insurers that the law, as written, would no longer be enforced, insurers have to factor that into their decisions about 2018 rates and whether they will participate in the marketplaces at all in this uncertain climate. The continued

instability and uncertainty as to whether the Affordable Care Act will be enforced means increased premiums and fewer options for consumers in 2018. In some areas of the country, no qualified health plans may be available on the marketplace as a result of this disruption.

In Congress, Republicans have taken steps to undermine risk mitigation programs that help stabilize the insurance markets. These included risk corridors, which were established to ensure stability in the initial years of the ACA's implementation, as millions of previously uninsured Americans constituted a new and inherently risky market. In 2014, Republicans inserted a provision in a government funding bill that defunded the risk corridors program. As a result, insurers received a fraction of what was owed under the ACA, amounting to billions in losses for insurers nationwide, which then led to the industry cutting back on coverage and benefits:

“Without making necessary changes to coverage and benefits, there was no way for health plans to remain in the market or to offer the kind of coverage as they had in the past without sustaining huge losses,” said Clare Krusing, spokeswoman for America's Health Insurance Plans, an industry lobby.” [Kaiser Health News, [2/4/16](#)]

4. Obstructing Outreach and Enrollment

Republicans obstructed efforts to educate Americans and encourage them to enroll in insurance plans at key times. In some states, the state government made it difficult for people to sign up as navigators – individuals who helped consumers enroll in health care. In early 2017 –in the crucial final weeks of open enrollment – President Trump's Administration drastically scaled back advertising and outreach, which resulted in the first decline in enrollment in the marketplaces since the law was implemented.

What is the result of these Republican actions? Insurance companies are raising premiums or exiting marketplaces because of the instability and uncertainty injected in the market by President Trump and Republicans in Congress. Here are just a few recent examples from across the country:

Ohio: Last week, Anthem announced they would leave marketplaces in Ohio due to the lack of stability and predictability. Anthem had warned the Trump Administration earlier this year that if it did not provide long-term certainty on cost-sharing reduction payments, it would “consider adjusting its rates, changing its product offerings, or exiting certain markets entirely.” The Administration and Republicans in Congress refused to listen and consumers are now paying the price:

“Anthem said it won't participate on Ohio's Obamacare exchange next year, citing growing uncertainty over the law's future in Washington D.C. The insurer ticked off a list of concerns, including ‘continual changes in federal operations, rules and guidance’ and ‘an increasing lack of overall predictability.’ ‘A stable insurance market is dependent on products that create value for consumers through the broad spreading of risk and a known set of conditions upon which rates can be developed,’ the company said in a statement.” [CNN Money, [6/6/17](#)]

Kansas & Missouri: In late May, Blue Cross Blue Shield of Kansas City exited the Kansas City insurance market, citing uncertainty sown by Republicans:

“Blue Cross and Blue Shield of Kansas City announced Wednesday it has decided to exit the Affordable Care Act exchange next year... The decision affects about 67,000 Blue KC customers in 30 counties in western Missouri plus Wyandotte and Johnson counties in Kansas. Most get federal subsidies to purchase health insurance on the exchange... This is unsustainable for our company,”

Office of Democratic Whip Steny H. Hoyer, 6/12/2017

[Danette Wilson, Blue KC's president and CEO] said. 'We have a responsibility to our (customers) and the greater community to remain stable and secure, and the uncertain direction of this market is a barrier to our continued participation' ... Trump has said he might let the exchanges collapse on their own, adding more uncertainty to whether the federal subsidies for insurance consumers will continue to be paid out." [Kansas City Star, [5/24/17](#)]

North Carolina: Blue Cross Blue Shield of North Carolina raised its premiums substantially based on the assumption that President Trump will end cost-sharing reduction payments:

"North Carolina's largest health insurer is warning its Obamacare members that it may have to hike rates more than 20 percent for the second year in a row, and the reason has everything to do with mixed messages from Washington over subsidy funding. 'This is an urgent situation, and we simply need to know what the rules of the game are going to be for 2018 in order to hit affordability as well as stability,' said Brad Wilson, CEO of Blue Cross Blue Shield of North Carolina." [CNBC, [5/30/17](#)]

Pennsylvania: Pennsylvania Insurance Commissioner Teresa Miller announced that premiums would be 36.8% if Republicans sabotage and repeal the ACA and only 8.8% if they abandon these efforts.

"Miller warned that these increases will be much worse if the federal government takes actions that would change the Affordable Care Act or its enforcement... If the individual mandate is repealed, insurers estimate that they would seek a 23.3 percent rate increase statewide. If cost-sharing reductions are not paid to insurers, the companies would request a 20.3 percent rate increase statewide. If both changes occurred, insurers estimate they would seek an increase of 36.3 percent." [Pennsylvania Press Release, [6/1/17](#)]

Who is to blame? Insurers agree the rhetoric and actions of President Trump and Republicans in Congress have resulted in harmful consequences for consumers:

Dr. Mario Molina, Former CEO of Molina Healthcare: "One common thread in all these efforts is that Americans who purchase their health coverage through the individual market are the ones harmed, not insurance companies. The administration and Republicans in Congress want you to believe that insurers raising premiums for their plans or exiting the marketplaces all together are consequences of the design of the Affordable Care Act instead of the direct results of their own actions to sabotage the law. Don't let them fool you." [U.S. News & World Report Op-ed, [5/30/17](#)]

According to the [Kaiser Family Foundation](#), 61% of the American people agree and say that President Trump and Congressional Republicans are to blame if the Affordable Care Act doesn't work.

With control of the White House and majorities in both chambers of Congress, Republicans are responsible for our health care system. Democrats in Congress and the American people will continue to hold Republicans responsible for any changes that Americans experience. It's time for Republicans to stop their sabotage of the American health care system and work with Democrats to improve the ACA and provide quality, affordable health care options for all Americans.