

Community comment for August 13, 2014.

This is Phil Arnott for community comment on K INS radio.

In a recent article in the Wall Street Journal by Stephen Parente, he discusses the short unhappy life of Obama care. Mr. Parente is associate Dean of the Carlson school of management and director of the medical industry leadership Institute of the University of Minnesota.

He says that the Pres. claims the debate over the affordable care act is over but in coming weeks and months expected to intensify. Health insurance companies will soon begin releasing preliminary rate estimates for next year's plans. Industry experts say consumers should once again brace for significantly higher premiums. He says that by 2024 that will be more than 40 million people uninsured in this country.

Mr. Parente goes on to say that fearing the political fallout before November's election this administration last month quietly increased by billions of dollars the risk corridor funds that insurance companies can use to stanch their losses in a paper published at his Institute recently he says that the laws structural problems will take years to fully manifest themselves.

He says by using information from the Department of Health and human services that his Institute estimates the national and state impact of Obama care on insurance prices and enrollment from 2015 to 2024 on average will increase by \$1375 by 2019 while the average family premium for the same plan will increase by \$4200. Consumers who saw spikes in their health premiums last year will experience the same trauma this year. However, the steepest price increases will not occur until 2017 and after.

VE sensual benefits requirement which means that all plans and including those currently exempted for hardship and old plans extended for various reasons must provide all of the laws mandated benefits starting January 1, 2017. On average roughly 15% of the plans offered in 2013 will not qualify for sale on the insurance exchanges once all extensions are completed. He says that depending on the state, as many as 60% of the plans sold in 2013 would not be permitted for sale again.

The laws reinsurance program will also expire in 2017. Health insurers will no longer be able to bill the government for 80% of a patient's health care costs when they make more than \$45,000 in annual claims this will force consumers to look for cheaper options such as the remaining high deductible health plans offered by private companies.

Employer-sponsored coverage will also come under pressure the data that the Institute acquired that millions will lose their employer based insurance by the end of the decade.

He closes by saying so perish the affordable care act's promise to deliver universal healthcare its fatal conceit. The autopsy will show that it died from a lack of affordability, leaving behind millions of Americans who were sold a bill of goods. One thing is painfully clear; that isn't what the doctor ordered.

I leave you with a point to ponder what is going to happen to those millions of people who cannot afford these higher premiums and lose their employer-sponsored plans in the next few years.

*This is PA for CE*