

The Washington Post**Health & Science**

Average premiums for popular ACA plans rising 25 percent

By Amy Goldstein October 24 at 8:19 PM

Insurers are raising the 2017 premiums for a popular and significant group of health plans sold through HealthCare.gov by an average of 25 percent, more than triple the percentage increase of this year's plans, according to new government figures.

The steep increase in rates serves broadly to confirm what has become evident piecemeal in recent months: Prompted by a burden of unexpectedly sick Affordable Care Act customers, some insurers are dropping out while many remaining companies are struggling to cover their costs.

The figures, announced by federal officials Monday, injected a new round of uncertainty into the future of the insurance exchanges that are a core feature of the 2010 health-care law. Health policy experts said the rising prices and shrinking insurance options add tumult to the coming ACA enrollment season. The data immediately touched off a fresh round of criticism among the ACA's persistent Republican congressional opponents.

In disclosing the 2017 rates, officials played down the impact of higher prices on consumers. They said that more than 8 in 10 consumers will qualify for ACA subsidies that will cushion them from the effects of more-expensive insurance. And they noted that as premiums go up, more Americans will be eligible for the tax credits.

In a conference call with reporters, two Department of Health and Human Services officials did not mention the average percentage increase in price. Instead, they briefly mentioned the smaller, 16 percent median increase — a statistic that has not been in previous years' analyses.

As they have in the past, officials stressed that, if current customers shop around, many will find less-expensive coverage than what they have. With subsidies, more than three-quarters of customers will be able to find a health plan next year for which they pay \$100 or less in monthly premiums, according to the new data. People who have ACA coverage tend to qualify for relatively large tax credits because their incomes skew low.

The portrait of rates and availability of health plans in the law's marketplaces has become an annual ritual since the exchanges began selling insurance during fall 2013. Next week, the marketplaces will open for their fourth sign-up season, and the Obama administration is predicting that 11.4 million people will pick health plans by the end of January — about 1 million more than the number of Americans with such coverage now.

The 25 percent spike is the average increase, among 38 states that rely on the federal insurance exchange, for the health plans on which the tax credits are based — the policy in each part of the country that has the second-lowest rate among plans offering a “silver” tier of coverage. Adding in 2017 premiums in the few states that run their own ACA marketplaces and had data available, the average is slightly lower, at 22 percent.

An accompanying [HHS research brief](#) containing the overall patterns and state-level data also shows that health plan options are dwindling, although almost all ACA shoppers will have some choice for 2017.

Among the states relying on HealthCare.gov, the typical number of plans available is declining by more than one-third, from 47 to 30. Competition is falling in all but four of those states, though the decrease varies significantly. In Florida, the average marketplace customer will actually have three more plan choices. In Arizona, however, the number of plans will plummet from 65 to four.

And 21 percent of the customers shopping in the federal exchange will find only one insurance company, compared with just 2 percent for 2016.

Reacting to the figures, Senate Finance Committee Chairman Orrin G. Hatch (R-Utah) said the HHS analysis “does little to dispel the notion we are seeing the law implode at the expense of middle-class families.” House Speaker Paul D. Ryan (R-Wis.), who has long called for the repeal and replacement of the law, said, “We don’t have to accept this kind of sticker shock.”

In a statement accompanying the new data, HHS Secretary Sylvia Mathews Burwell said that insurers are “continuing to adapt” to a new market in which they must compete for customers based on their price and quality, rather than freezing out people with medical conditions. Burwell said that premiums have been

influenced by “efforts to undermine the ACA,” including a decision by the Republican-led Congress to block money intended to help buffer insurers with high-cost customers.

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