

The “Affordable” Care Act Has Made Health Insurance Unaffordable

Robert Genetski

February 13, 2019

An analysis of health insurance premiums, out of pocket expenses and deductibles indicates the Affordable Care Act (aka, ACA or Obamacare) has added \$10,000 a year or more to the average family's cost of health insurance.

Health Insurance Trends

The ACA was passed in 2010 and included a broad increase in federal rules and regulations pertaining to healthcare. Its key provisions began to take effect in 2014 and were mostly completed by 2018.

The impact of the ACA on the cost of insurance differs significantly on where an individual or family lives, their age, income, health and lifestyle. The impact can also depend on whether the policy is private or one of the many Obamacare exchange policies.

Regardless of the type of policy, the cost of health insurance increased dramatically following the implementation of the ACA. The US Department of Health and Human Services estimates the average premium for the most popular individual Obamacare policy increased by 182% from 2013 to 2018. Data from those offering private insurance policies show similar dramatic increases.

Charts on the following pages contain data provided by two online health insurance providers—Ehealth and Healthpocket. These firms are facilitators who seek to provide individuals with the most appropriate health insurance policies for their circumstances.

Ehealth provides data on the cost of average premiums since 2008. Healthpocket provides detailed data on out-of-pocket expenses and deductibles beginning in 2014 and 2015.

Ehealth data show how prior to the impact of the ACA average health insurance premiums increased by two percentage points more than the increase in core inflation. By 2018, Ehealth's average annual individual premium increased by \$2,400 (84% more the normal uptrend). The average annual family policy increased by \$8,000, (126% more than the normal uptrend).

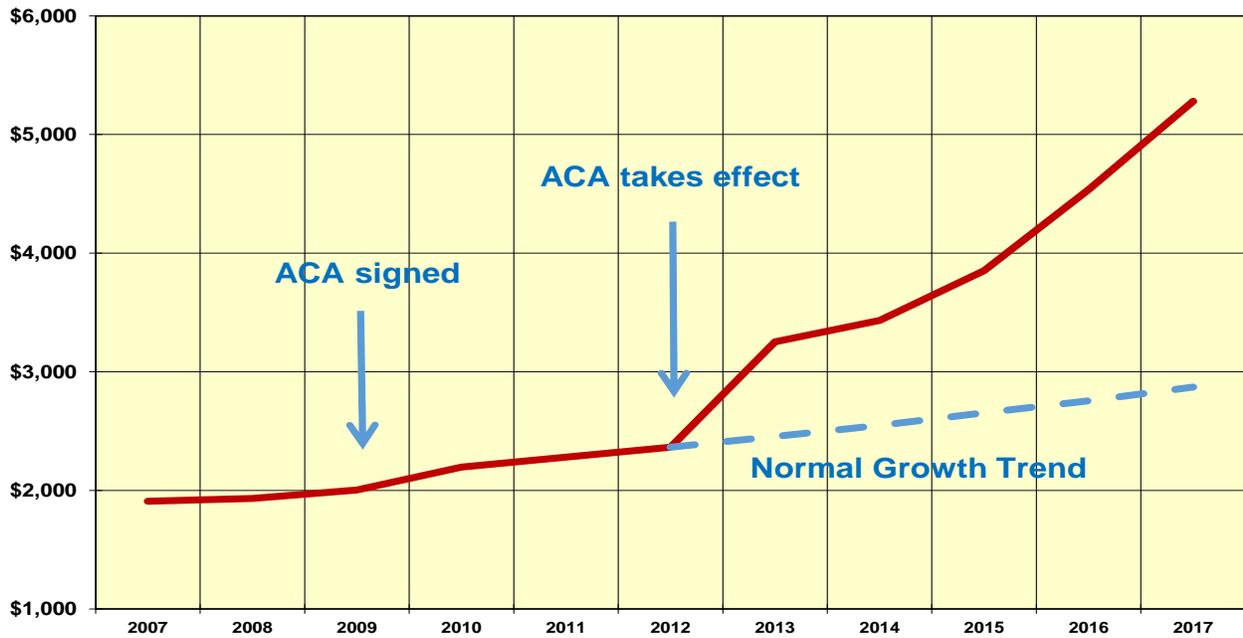
In addition to the cost of insurance premiums, policy holders' maximum out-of-pocket costs and deductibles also increase dramatically. From 2015-2018 annual out-of-pocket costs and deductibles each increased by more than \$1,000 for individuals and more than \$2,000 for family policies.

Once the ACA was fully implemented, its impact increased the total annual cost of health insurance to individuals by \$3,400 to \$4,400 and to families by \$10,000 to \$12,000.



Individual Health Insurance Premiums

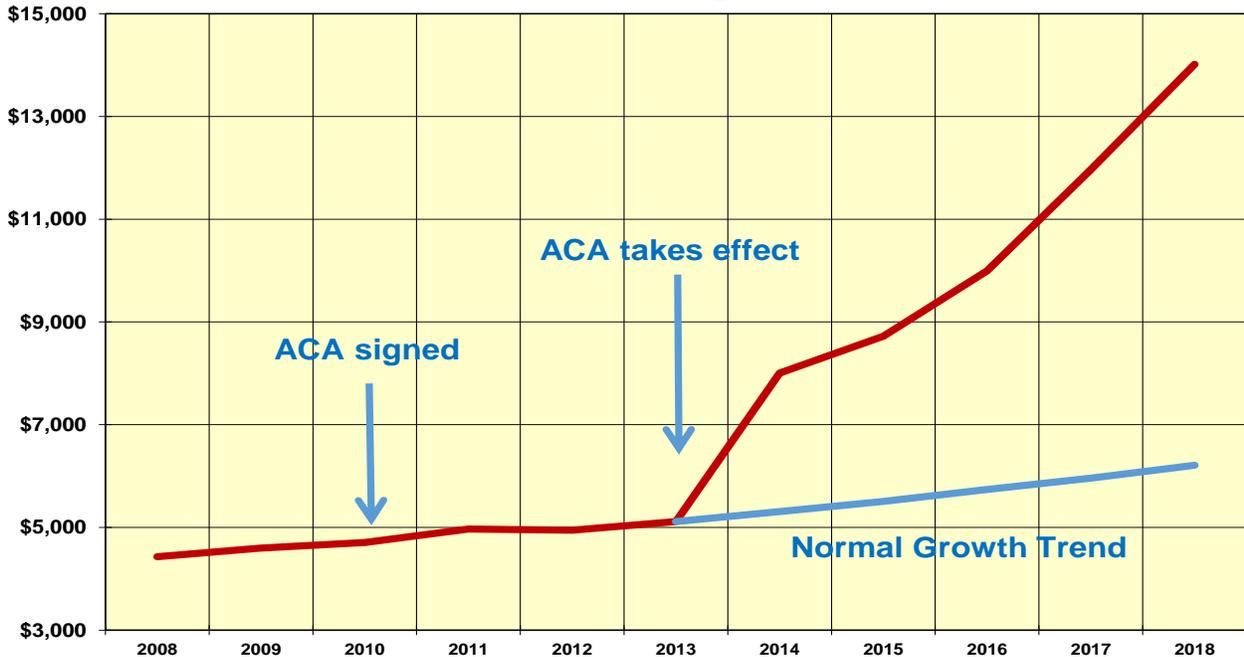
Annual Averages



Source: Ehealth insurance provider; classicalprinciples.com; normal growth is 2 percentage points faster than core cpi;

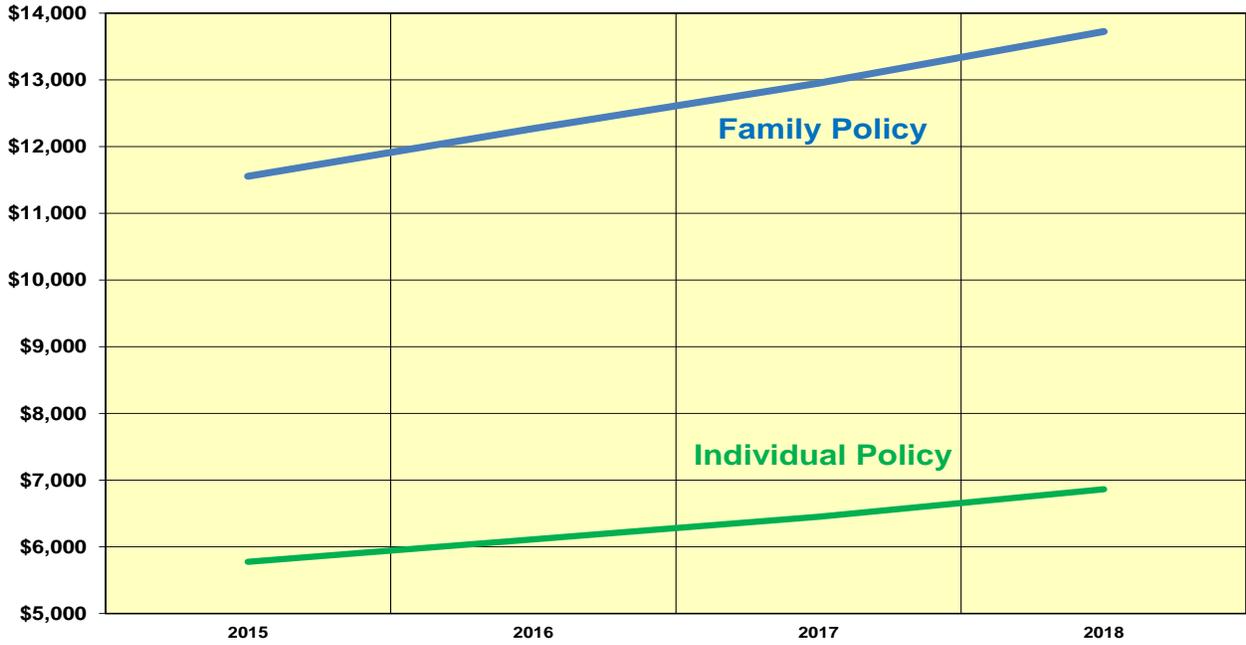
Family Health Insurance Premiums

Annual Averages



Source: Ehealth insurance provider; classicalprinciples.com; normal growth is 2 percentage points faster than core cpi;

Health Insurance: Maximum Out of Pocket Expense



Health Insurance Deductibles: 2014 - 2018

