Weekly Checkup

Obamacare: Promises Versus Reality

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The Affordable Care Act (ACA) was passed amid a flurry of promises and projections which have been largely unmet. As Congress and the incoming Trump Administration begin the process of unwinding Obamacare, it is worth noting what we were told would happen, and what actually has. We were promised that we could keep our insurance plan,[1] but at least 4.7 million people lost their plans when the law went into effect.[2] We were promised we could keep our doctors, but the proliferation of narrow network plans has made that another false promise.[3] In fact, 41 percent of Obamacare silver plans had networks that were rated "small" or "extra small" in 2015.[4] The Congressional Budget Office originally projected that 21 million people would be receiving insurance through the ACA exchanges in 2016,[5] but in June of that year only 10.4 million were enrolled.[6] We were promised the typical family would see their insurance premiums REDUCED by as much as $2,500.[7] The reality is that since 2014, average premiums for exchange benchmark plans have increased by 37.1 percent.[8] We were told that the ACA would "bend the cost curve and start actually reducing health care costs", but it hasn't happened either.[9] In the year prior to Obamacare's passage, health care spending grew at 4 percent, but in 2015, the second year of full implementation, it increased by 5.8 percent.[10] And in his September 2009 address to Congress, President Obama expressed concern that "in 34 states, 75 percent of the insurance market is controlled by five or fewer companies."[11] Today, 20 percent of exchange consumers have only a single choice of insurer, only 56 percent have a choice of three or more companies, and the average number of insurers per county is down to three.[12] The reality is Obamacare just doesn't live up to the hype.

THE REALITY OF OBAMACARE

AAF

WHAT WAS PROMISED

"If you like your health care plan, you'll be able to keep your health care plan."

"Cut the cost of a typical family's premium by up to $2,500 a year."

"If you like your doctor, you will be able to keep your doctor."

"Consumers do better when there is choice and competition."

WHAT REALLY HAPPENED

4.7 million people had their plans cancelled when the law went into effect

CANCELED

Average premium for benchmark plans increased 37.1% since 2014

41% of exchange silver plans had physician networks that were "small" or "extra small" in 2015

20% of exchange consumers have only 1 choice of insurer in 2017

PDF VERSION

[1] http://www.politifact.com/obama-like-health-care-keep/

[2] http://finance.yahoo.com/news/policy-notifications-current-status-state-204701399.html

[3] http://www.politifact.com/obama-like-health-care-keep/

[4] https://www.americanactionforum.org/weekly-checkup/exchange-plans-cover-limited-specialists-in-network/

[5] http://avalere.com/expertise/life-sciences/insights/what-are-the-aca-enrollment-figures-for-2016

[6] https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-10-19.html

[7] http://www.politifact.com/truth-o-meter/promises/obameter/promise/521/cut-cost-typical-familys-health-insurance-premium-/

[8] https://aspe.hhs.gov/sites/default/files/pdf/77176/healthPremium2015.pdf; https://aspe.hhs.gov/sites/default/files/pdf/135461/2016%20Marketplace%20Premium%20Landscape%30-15%20FINAL.pdf; https://aspe.hhs.gov/sites/default/files/pdf/212721/2017MarketplaceLandscapeBrief.pdf

[9] http://www.thefiscaltimes.com/Columns/2014/05/01/Obama-s-Biggest-Lie-ACA-Will-Lower-Health-Care-Spending

[10] https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html

[11] https://www.whitehouse.gov/the-press-office/remarks-president-a-joint-session-congress-health-care

[12] https://aspe.hhs.gov/sites/default/files/pdf/212721/2017MarketplaceLandscapeBrief.pdf