



First Step Together: Stop Sabotaging the Health Insurance Market

After the Senate voted down the repeal of the Affordable Care Act, President Trump said to “let ObamaCare implode, then deal” and threatened to end government payments to insurers that lower consumers’ out-of-pocket costs.¹ For Congress to move forward from the July repeal process, the administration must stop trying to sabotage the health insurance market.

CSR Payments Lower Costs

As insurers finalize rates for next year by August 16, the Trump administration is threatening to end payments that lower costs for millions of Americans and help keep insurers in higher-risk markets. These cost-sharing reduction (CSR) payments allow insurers to offer silver plans with lower out-of-pocket costs, helping more people afford health care. On average, CSR payments lower deductibles for silver plans by \$2,300 and out-of-pocket maximums by \$3,800 (see table below). For the same monthly premium, consumers are able to receive plans that cover a greater portion of the services they need.

Cancelling CSR payments would force insurers to stop offering these lower-cost plans or to raise silver plan premiums by 19 percent on average to make up the difference.² Higher costs will mean that more consumers cannot afford insurance, so insurers will lose customers. Insurers will pull out of the markets that are most vulnerable now, worsening access to health insurance particularly in rural and underserved areas. It’s an entirely avoidable series of domino effects.

Trump Administration Sabotages Markets

The Trump administration is still refusing to commit on whether they will honor these payments. According to Office of Management and Budget Director Mick Mulvaney, the administration is “looking at the cost-sharing payments on a month-to-month basis” without “a long-term commitment.”³ This lack of commitment increases costs for consumers and leaves Americans with fewer insurers to choose from next year.

The uncertainty alone is already starting to affect insurer decisions and consumer options. Certainty is necessary for businesses to make decisions, and without certainty, they weigh the risks of the worst-case scenario. These actions are directly influencing insurers’ decisions to exit insurance markets, leaving limited to no options for consumers. In June, Anthem cited political and regulatory uncertainty from Congress and the White House, including the lack of certainty of funding for CSR payments, in their decision to leave most Nevada counties.⁴

Congress can begin to chart a new course by promoting a solution that will stabilize markets and expand meaningful, affordable coverage to more Americans, such as the Marketplace Certainty Act (S.1462) to make permanent these essential payments to help Americans access health care.

Impacts of Cost-Sharing Reduction (CSR) Payments

State	Currently, Due to CSRs...		Without CSRs...
	Deductibles are Lower By	Out-of-Pocket Maximums are Lower By	Premiums Will Increase By
United States	\$2,268	\$3,759	19%
Alabama	\$3,383	\$4,783	25%
Alaska	\$1,683	\$3,392	11%
Arizona	\$3,852	\$3,495	13%
Arkansas	\$2,143	\$3,494	15%
California	\$3,063	\$3,287	N/A
Colorado	\$1,886	\$3,602	N/A
Connecticut	\$2,243	\$3,673	N/A
DC	\$1,983	\$2,890	N/A
Delaware	\$2,815	\$3,805	11%
Florida	\$2,799	\$3,976	25%
Georgia	\$2,674	\$4,276	23%
Hawaii	\$1,170	\$3,712	21%
Idaho	\$2,794	\$4,021	N/A
Illinois	\$2,494	\$3,873	14%
Indiana	\$2,575	\$3,763	14%
Iowa	\$2,337	\$3,228	14%
Kansas	\$1,651	\$3,010	18%
Kentucky	\$3,067	\$3,960	N/A
Louisiana	\$2,044	\$3,471	20%
Maine	\$1,893	\$4,202	16%
Maryland	\$2,305	\$3,357	N/A
Massachusetts	\$970	\$3,884	N/A
Michigan	\$1,843	\$4,050	15%
Minnesota	\$2,024	\$2,671	N/A
Mississippi	\$3,011	\$3,905	27%
Missouri	\$1,982	\$3,815	18%
Montana	\$1,606	\$3,524	13%
Nebraska	\$2,765	\$3,084	15%
Nevada	\$1,436	\$3,915	15%
New Hampshire	\$2,222	\$3,832	10%
New Jersey	\$1,537	\$3,923	14%
New Mexico	\$2,353	\$3,739	13%
New York	\$1,496	\$3,558	N/A
North Carolina	\$2,033	\$4,185	20%
North Dakota	\$1,662	\$3,161	9%
Ohio	\$2,819	\$3,999	13%
Oklahoma	\$2,183	\$4,167	17%
Oregon	\$1,734	\$4,012	10%
Pennsylvania	\$2,084	\$3,854	16%
Rhode Island	\$2,415	\$3,033	N/A
South Carolina	\$2,748	\$3,407	23%
South Dakota	\$2,212	\$3,489	16%
Tennessee	\$1,868	\$3,162	21%
Texas	\$2,767	\$3,719	19%
Utah	\$1,996	\$4,134	15%
Vermont	\$1,338	\$3,958	N/A
Virginia	\$2,425	\$3,869	17%
Washington	\$2,185	\$3,532	N/A
West Virginia	\$3,067	\$3,933	15%
Wisconsin	\$1,978	\$3,828	17%
Wyoming	\$1,577	\$3,836	14%

Source: JEC Democratic Staff calculations based on data from the Robert Wood Johnson Foundation and the Kaiser Family Foundation.

Note: JEC calculations based on data of average in-network deductibles and maximum out-of-pocket amounts for Silver plans with Tier 1 and without Tier 2 data. Calculations compare plans with and without cost sharing reductions in 2017, regardless of actuarial value. Premium increase estimates are from Kaiser Family Foundation and only available for states using Healthcare.gov.

¹ <https://twitter.com/realDonaldTrump/status/8908205330212864>; <https://www.reuters.com/article/us-usa-healthcare-trump-idUSKBN1AE0QQ>

² <http://www.kff.org/health-reform/issue-brief/the-effects-of-ending-the-affordable-care-acts-cost-sharing-reduction-payments/>

³ <http://ijr.com/2017/07/924715-mulvaney-insurers-trump-plans-health-bill-fails-probably-wont-like-much/>

⁴ <https://www.anthem.com/press/nevada/anthem-statement-on-individual-market-participation-in-nevada/>