
PowerPost Analysis

The Health 202: Obamacare is getting more affordable under the Trump administration

By Paige Winfield Cunningham

THE PROGNOSIS

Obamacare premiums will become more affordable next year – despite dire predictions by Democrats that the Trump administration would destroy the insurance marketplaces.

In a marked shift from previous years, average premiums for mid-level “silver” plans will decrease 4 percent for 2020, while the number of plans available on the Affordable Care Act marketplaces will swell 13 percent, according to figures released this morning by the Centers for Medicare and Medicaid Services. Nearly 7 in 10 people will have access to at least three marketplace plans, up from six in 10 last year (the figures don't include the 11 states running their own marketplaces instead of relying on Healthcare.gov.)

“President Trump – the president supposedly trying to sabotage this law – has been better at running it than the guy who wrote the law and that has remained the case this year,” Health and Human Services Secretary Alex Azar told reporters.

The improvements are striking, considering that Democrats have spent the last few years blasting the Trump administration for peeling away Obamacare regulations. Those actions include removing the law's penalty for lacking health coverage known as the individual mandate and allowing more insurance plans to cover fewer medical services than typically allowed under the 2010 health-care law.

It's also an irony for the president himself, who has repeatedly lambasted Obamacare as a "disaster" and tried fruitlessly through Congress to repeal and replace it. **But Trump now says because of his administration's actions, the ACA isn't so bad after all: "Once we got rid of the individual mandate it made it better but Obamacare doesn't work -- but it works at least adequately now. And we had that choice to make. And politically it's probably not a good thing that I did, but it's the right thing to do for a lot of people," he said in July.**

But Democrats disagree. "Working families are paying the price for Republicans' relentless effort to sabotage their health care and drive up insurance premiums," House Speaker Nancy Pelosi (D-Calif.) said last year.

Former vice president Joe Biden, who is seeking the Democratic presidential nomination:

For years, Democrats have been charging Trump is sabotaging the marketplaces. From Senate Minority Leader Chuck Schumer (D-N.Y.), two years ago:

If Trump's top health officials were trying to actively sabotage the Obamacare marketplaces, which will be open for enrollment from Nov. 1 through Dec. 15, they don't seem to be doing a very good job of it.

During the Obama administration and in the Trump administration's first year, the marketplaces suffered from double-digit premium increases, spikes in annual deductibles and insurer exits, leaving many customers frustrated by the lack of choice and affordability. Insurers hiked premiums **an average** of 32 percent from 2017 to 2018, driving away many customers who earned too much for financial assistance.

But average premiums **dropped last year for the first time since Obamacare was enacted, by 1.5 percent. This year, the marketplaces look even more stable – and are even thriving in some areas.** Some additional figures from HHS:

—Average premiums for “silver” plans are decreasing at least 10 percent in six states: Delaware, Montana, Nebraska, North Dakota, Oklahoma and Utah. They're increasing at least 10 percent in three states: Indiana, Louisiana and New Jersey.

—Just 12 percent of customers will have access to a single insurance issuer, down from 20 percent last year. Sixty-eight percent will have access to three or more insurance issuers, up from 58 percent.

—Most Healthcare.gov customers are eligible for government subsidies. But prices can still be steep for those who are ineligible. For example, a 27-year-old without subsidies will pay an average premium of \$426 for a “gold” plan, \$374 for a “silver” plan and \$278 for a “bronze” plan.

Trump's health officials have often faced tricky political questions about why the administration is refusing to defend the ACA in a [high-profile lawsuit](#) in which a decision is expected any day. **But yesterday, they were clearly trying to take a victory lap, pushing back hard against criticisms from Democrats over how they've handled the ACA.**

“Our results speak for themselves,” said CMS administrator Seema Verma. “It’s the proof this administration’s tireless work to mitigate the damage caused by Obamacare is paying off.”

That's been the line Azar and Verma have frequently adopted about the ACA: That they are trying to make the best of a flawed law. They told reporters they still want the law repealed – something Republicans in Congress tried and failed to do back in 2017 – but said they're “fixing” it in the meantime.

“The Trump administration’s actions have worked,” Verma said. “Without them, Obamacare would have continued to spiral out of control.”

Democrats were furious when HHS issued regulations last year opening the door wider to leaner but cheaper health plans people can buy outside the marketplaces. Short-term plans can now be purchased for a year instead of just three months, and there's broader latitude for chambers of commerce and trade associations to come together to buy coverage through association health plans.

These plans, allowed to cover fewer medical services than typical Obamacare plans, were expected to attract healthy people out of the marketplaces, leaving sicker ones behind and driving up premiums overall. The Congressional Budget Office [projected](#) their expansion would drive up premiums – but just by 3 percent.

Then there was the 2017 tax overhaul, in which congressional Republicans repealed the ACA’s penalty for lacking health coverage. That also fueled charges from Democrats that healthy people would abstain from buying coverage, therefore driving up marketplace premiums for everyone left behind.

Marketplace enrollment has [declined somewhat](#) – falling by 300,000 people this year – but getting rid of the penalty hasn’t had the catastrophic event many had predicted. Some states, including California, New Jersey and Rhode Island, have implemented their own penalties in the absence of a federal one.

“I think people who predicted immediate meltdowns probably overstated the case,” said Joel Ario, who directed the HHS Office of Health Insurance Exchanges under Obama. “But over time, I think it will prove correct that states without mandates will have trouble keeping a stable pool.”

Even as Democrats’ predictions haven’t come true, the Trump administration may also be claiming more credit than it deserves. Marketplace insurers reached profitability after their massive rate increases in 2018, so it’s possible the rates would have leveled out with or without the administration’s new policies. The ACA limits how much money insurers can collect in premiums relative to their overhead costs, so more massive rate hikes would have required them to pay large rebates to customers.

Insurers are also pointing to the “reinsurance” programs the administration has approved in 12 states as another reason for why they’re lowering rates. Through these reinsurance programs, states can help cover the sickest, high-cost individuals, in order to keep premiums lower for everyone in the marketplaces.

“We really have seen this market stabilize over the years,” said Justine Handelman, senior vice president for the Blue Cross Blue Shield Association, told reporters recently.

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AHH, OOF and OUCH

AHH: Two Ohio counties reached a \$260 million settlement with four drug companies hours before a landmark opioid trial was set to begin in Cleveland.

The last-minute deal made by distributors McKesson Corp., AmerisourceBergen and Cardinal Health and drug manufacturer Teva Pharmaceuticals, four of the defendants in case, still leaves many unanswered questions. But the deal “could help push the parties toward a wide-ranging agreement on more than 2,400 similar claims filed across the country,” our Post colleagues [Lenny Bernstein, Scott Higham, Sari Horwitz and Aaron C. Davis report](#).

“The \$260 million settlement, reached just hours before opening arguments were scheduled to begin in the first federal lawsuit of the opioid era, will give Cuyahoga and Summit counties badly needed cash and anti-addiction medication,” they write. “...The Ohio deal ratchets up the pressure on plaintiffs and drug companies to reach a global settlement or, some argue, to cut their own deals sooner. If the hundreds of lawsuits filed by cities, counties, Native American tribes and others continue to be settled individually, the first jurisdictions are likely to get larger payouts, attorneys said.”

A case with Walgreens, which did not take part in the settlement, has been postponed, and another defendant, Henry Schein Medical, said it reached a deal to “donate \$1 million to

establish an educational foundation in Summit County that will develop best practices for the proper use of prescription opioids and will pay \$250,000 of Summit County's legal expenses."

OOO: A Massachusetts judge said a temporary ban on the sale of vaping products can remain in place for now, but questioned its legality and called on the state to address numerous problems.

The judge said in a 32-page order that the state has a week to rewrite the ban. It must also resubmit the plan and hold a public hearing "so affected vape shops and others can weigh in, and provide a fiscal impact to businesses," USA Today's [Joey Garrison reports](#).

The temporary ban issued by Republican Gov. Charlie Baker is the strongest such measure by a state so far in response to a national outbreak of vaping-related illnesses.

"While the plaintiffs have shown a likelihood of success, the balance of harms weigh in defendants' favor in some respects, and an immediate injunction against the entire order would contravene the public interest," Suffolk County Superior Court Judge Douglas Wilkins wrote. "The court therefore allows the defendants an opportunity to cure the defects identified above."

— The House Ways and Means Committee, chaired by Rep. Richard Neal (D-Mass.), will mark up a bipartisan bill this week that would establish a tax on nicotine used in vaping products.

The bill, introduced by Reps. Tom Suozzi (D-N.Y.) and Peter King (R-N.Y.), is one of a slew of health-related measures the committee will markup this week.

The markup comes as federal and local health officials and lawmakers have been sounding the alarm about vaping amid a [spate](#) of mysterious vaping-related illnesses that have sickened at least 1,479 people in cases reported in every single state but Alaska.

OUCH: Medicaid and the Children's Health Insurance Program now cover more than a million fewer children than they did before December 2017, the New York Times's [Abby Goodnough and Margot Sanger-Katz report](#).

Between December 2017 and this past June, there was a drop of 3 percent of enrolled children, which some state and federal officials argue is a sign of an improving economy, meaning more families are getting covered through employers.

“But there is growing evidence that administrative changes aimed at fighting fraud and waste — and rising fears of deportation in immigrant communities — are pushing large numbers of children out of the programs, and that many of them are now going without coverage,” Abby and Margot write. “The declines are concentrated in a minority of states; in other places, public coverage has actually increased”

A Times analysis of census data found there were more than 400,000 children without any sort of insurance between 2016 and 2018. The states that saw marked drops in the number of insured children had more frequently established eligibility rules. Other states with a big immigrant population may have seen parents concerned about enrolling their children, who are citizens, in the federal programs because of fear of how it would impact their own chances of getting a green card.

In Texas, for example, “the number of uninsured children rose by around 120,000 between 2016 and 2018,” Abby and Margot report. “State officials increased paperwork requirements in 2014 for families covered under both Medicaid and CHIP, which serves children whose income is slightly higher than Medicaid’s.”

OPIOID OPTICS

— One of the initiatives to combat the opioid epidemic that D.C. Mayor Muriel E. Bowser (D) announced last year is off to a slow start. The plan sought to launch a buprenorphine program in emergency rooms across the District to reach drug users with the medication that alleviates opioid cravings in hospital ERs, where they are often found.

“Since it began operating in late April, the city’s program — run through a contract with the D.C. Hospital Association worth nearly \$2.9 million over two years — connected only a small number of patients with treatment, according to records and interviews with District officials, treatment providers and outreach workers,” our Post colleague [Peter Jamison reports](#).

Fewer than 30 patients have been treated in an ER with the addiction medicine in the first four months of the program. Just 19 patients continued treatment outside the hospital. Meanwhile, during those four months, nearly 600 opioid users were taken to a participating hospital in an ambulance.

“It’s a new initiative,” said Gayle Hurt, the hospital association’s assistant vice president for patient safety and quality operations. “It’s sort of to be expected that not everything is going to be perfect.”

HEALTH ON THE HILL

— **Physicians for Fair Coverage, a coalition of doctors backed by private equity firms and investment groups, poured more than \$4 million into lobbying efforts between July 1 and Sept. 30 to push lawmakers to tackle surprise medical bills, the Hill’s [Jessie Hellman reports](#), citing [lobbying disclosure reports](#).**

“It’s a record-high amount for the relatively new coalition, which spent less than \$5,000 on lobbying during the same time period last year,” she writes. “The group spent \$120,000 between April 1 and June 30 and \$25,000 from Jan. 1 to March 31.”

The Health 202 [wrote](#) last month about how doctors appeared to be gaining an edge in the legislative fight over tackling the steep medical bills that patients get when they receive care from a physician or hospital that’s not covered by their insurance plan.

The group is in favor of a bill from Reps. Phil Roe (R-Tenn.) and Raul Ruiz (D-Calif.) that would allow for arbitration, where an independent third party would determine a price and that also has the support of numerous fellow physicians in Congress. The group has lobbied against measures that would peg payments to an existing set of rates for in-network doctors.

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Jennifer Hassan

Health

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Lymphedema often appears after cancer treatment and compression clothing can reduce pain, tissue damage. Private health plans vary in coverage, Medicaid covers some expenses, but Medicare does not.

Carmen Heredia Rodriguez

DAYBOOK

Coming Up

The House Veterans' Affairs Subcommittee on Economic Opportunity holds a [hearing](#) on benefits for all servicemembers on Wednesday.

The House Energy and Commerce Subcommittee on Oversight and Investigations holds a [hearing](#) on "The Trump Administration's Attack on Health Care" on Wednesday.

SUGAR RUSH

How "Baby Shark" became the unofficial anthem of the Washington Nationals:

Paige Winfield Cunningham

Paige Winfield Cunningham covers health policy and authors PowerPost's daily tipsheet The Health 202. She previously covered health-care for Politico, where she wrote the daily Pulse tipsheet. She has appeared on multiple media outlets including C-SPAN, CBS, MSNBC, Fox News, Fox Business and WJLA. [Follow](#) 
