

# Warning signals to NJ on health care costs

## LAUREL PICKERING COMMENTARY

New York, Connecticut and Pennsylvania have recently done New Jersey a favor. The state's neighbors have flashed a warning sign that the Garden State would do well to notice. In the past month, New York, Connecticut and Pennsylvania health insurers taking part in the Affordable Care Act (ACA) marketplace have filed their premium rates for 2018. The increases are staggering. They are part of a national trend that New Jersey will soon fall victim to if the debate over health care is not resolved quickly in our nation's capital.

New York insurers have proposed an average rate of increase of 16.6 percent, but that includes individual increases as high as 47.3 percent. Connecticut insurers, of which there are only two in the marketplace, have proposed increases from 15 percent to 34 percent. In Pennsylvania, average proposed rate increases are 8 percent for individuals, but it is more complicated than that.

These increases are not coincidental. On the contrary, health care policy experts are all pointing to the same factor for these substantial increases. As noted by Bill Hammond, health policy director for the Empire Center for Public Policy in New York, these factors stem from the tremendous amount of uncertainty emanating from Washington on the future of health care.

The climate in Washington is leaving insurers with few options. The factors driving this uncertainty and leading to higher rates in 2018 include: lack of enforcement of the individual mandate, making it more likely that younger people will opt to not have coverage; the failure of Washington to commit to cost



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**The health care debate continues unabated in Congress.**

sharing subsidy reductions for lower income individuals; the implementation of the federal Health Insurance Tax; and all of this coupled with the general raising cost of medical care.

Remember Pennsylvania and their single digit increases? The

state's Insurance Commissioner has stated that if the individual mandate is repealed and cost-sharing reductions are not paid, they could be facing a 36 percent premium increase.

Not only is this inaction driving premiums up for consumers, but it may also force more insurers to leave the ACA exchange. While New York has remained relatively stable, in Connecticut, they have fallen from five marketplace insurers in 2016 to just two in 2017. In Missouri more than two dozen counties will not have an ACA insurer next year.

In states across the country where insurers have already filed their rates, the results are all the same. Premiums will drastically increase in 2018 and more insurers could leave the market. Maryland, Virginia, Oregon, Iowa, North Carolina – the list goes on and on and all for the same reason: Washington.

It is inevitable that New Jersey will be next on this list. Filing deadlines for New Jersey's two marketplace insurers – Horizon Blue Cross Blue Shield and AmeriHealth – occur before the end of June. There is no reason to believe they will not be forced to follow

the same course as nearly every other state that has already filed.

This is about more than just numbers though. Statistics cannot truly explain how punishing Washington's inaction will be for New Jersey families and businesses. Several hundred thousand New Jerseyans, many of whom are already struggling with the cost of health care, will experience rate increases in 2018. Moreover, small businesses will be forced to take money that could be better spent invested in their business and use to cover the increasing costs. There are no winners in this scenario.

Washington has left New Jersey in a bind, destined to follow its neighbors, New York, Connecticut and Pennsylvania into the abyss. For the sake of New Jersey residents and businesses – for the sake of the entire country – D.C. must get its act together. Washington must come up with solutions to these problems or we all will be paying for it, figuratively and literally.

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