

More Than 1 Million to Lose Obamacare Plans as Insurers Quit (1)

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(Bloomberg) -- A growing number of people in Obamacare are finding out their health insurance plans will disappear from the program next year, forcing them to find new coverage even as options shrink and prices rise.

At least 1.4 million people in 32 states will lose the Obamacare plan they have now, according to state officials contacted by Bloomberg. That's largely caused by Aetna Inc., UnitedHealth Group Inc. and some state or regional insurers quitting the law's markets for individual coverage.

Sign-ups for Obamacare coverage begin next month. Fallout from the quitting insurers has emerged as the latest threat to the law, which is also a major focal point in the U.S. presidential election. While it's not clear what all the consequences of the departing insurers will be, interviews with regulators and insurance customers suggest that plans will be fewer and more expensive, and may not include the same doctors and hospitals.

It may also mean that instead of growing in 2017, Obamacare could shrink. As of March 31, the law covered 11.1 million people; an Oct. 13 S&P Global Ratings report predicted that enrollment next year will range from an 8 percent decline to a 4 percent gain.

Vanishing Plan

Last year in Minnesota, Theresa Puffer, 61, used Obamacare to sign up for a BlueCross BlueShield plan after leaving her job following a skin cancer diagnosis. "I would have had a hard time finding any sort of coverage before the ACA," Puffer said by phone.

Next year, Puffer's plan is disappearing from Obamacare -- making her one of about 20,000 Minnesotans in the same situation. To make matters worse, premiums for other plans in the state will rise by at least 50 percent, though subsidies under the law can help cushion the blow.

"Trying to determine which would be the best plan for my situation is not easy," Puffer said. Her dermatologist appears to be out of network in other plans, she said. "I'm willing to pay a higher premium to see him, because when you have cancer you want to stay with the same group of doctors," she said. "I've spent so much time trying to figure out what my options are."

Bloomberg contacted officials in all 50 states and Washington, D.C., and the 1.4 million-person estimate includes 32 states and only plans sold on the individual "exchange" markets. In Texas, Arizona, Georgia and Missouri, insurers have pulled out, but regulators couldn't or wouldn't say how many people are affected. Three states didn't provide sufficient

data.

Eleven states said they weren't affected. In Washington, D.C., because one insurer withdrew some of its offerings, about 7,800 customers will need to choose new plans.

Normal Disruption

The U.S. agency that oversees Obamacare has said that some disruption is normal, and that choosing a new plan can help people get the best deal.

"It's part of the normal business cycle for insurers to discontinue, change, and replace plans from year to year," Benjamin Wakana, a spokesman for the Department of Health and Human Services, said by e-mail on Oct. 5. "Such changes don't prevent people from obtaining coverage. People can shop for new coverage through a transparent market."

HHS said Thursday that it will contact people losing their coverage and encourage them to sign up with new plans. The law requires all Americans to have insurance or pay a fine. Nationwide estimates of the number of people losing their current plans are higher. For example, Charles Gaba, who tracks the law at ACASignups.net, estimates that 2 million to 2.5 million people in the U.S. will lose their current plans, compared with 2 million a year ago. Gaba's estimate is based on insurance company membership data.

Fewer Choices

For the people losing plans, there are fewer and fewer choices. One estimate by the Kaiser Family Foundation predicts that for at least 19 percent of the people in Obamacare's individual market next year there will be only one insurer to choose from.

In North Carolina, for example, a BlueCross BlueShield insurer will be the only option in 95 of the state's 100 counties after Aetna and UnitedHealth said this year that they would leave. That will leave 284,000 people looking for a new plan, according to the state.

"Without any significant statutory and regulatory changes on the federal and state levels, we may face the crisis again," said North Carolina Insurance Commissioner Wayne Goodwin, a Democrat who's up for election this year. "There needs to be a wholesale re-evaluation by leaders in Washington."

Losing Access

In Tennessee, UnitedHealth and the state's BlueCross BlueShield plan are pulling back, and about 117,000 people will lose the plans they have now.

Amanda Page Cornett, a 34-year-old musician and athletic trainer in Nashville, is among them. For 2015, Cornett was careful to pick a BlueCross BlueShield plan that covered specialists at Vanderbilt Health, to treat nerve pain stemming

from a 2013 accident. Her condition worsened recently, she said, and she's worried about losing access to her doctor.

"I'm hopeful that he's going to be able to help me," she said of her current physician. "I feel like now I have two and a half months to figure it out before they shut me out."

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