

Not Affordable Care Act: Opposing View

Avik Roy 8:52 p.m. EDT September 23, 2013 | USA Today

In most states, premiums will increase

Imagine that Congress passed a law requiring all cars sold in America to use hybrid engines. If you're concerned about our consumption of fossil fuels, such a law might sound great. However, as anyone who has shopped for a car knows, hybrid cars are much more expensive than conventional ones.

ObamaCare is doing something similar to health insurance, especially for people who buy it on their own. The law forces insurers to charge the same rates to the healthy and the sick. It mandates that insurers cover services that the government deems "essential," such as drug-addiction therapy that most people don't need. It forces young people to pay much more, so as to partially subsidize the elderly.

There's no such thing as a free lunch. All these new rules make health insurance more expensive. And people across the political spectrum are concerned. This month, the AFL-CIO passed a resolution complaining that ObamaCare's litany of taxes and fees "will drive the costs of ... union administered plans, and other plans that cover unionized workers, to unsupportable levels."

In order to study this problem, I and my colleagues at the Manhattan Institute assembled an interactive map, which you can find by Googling the phrase "ObamaCare cost map." It illustrates how premiums will change across the country.

In most states, the cost of individually purchased health insurance will increase significantly, as much as 160%. A handful of states will see average rates go down. But that's generally because those states, like New York, had long ago imposed ObamaCare-like mandates that made insurance unaffordable for the young and healthy. Nationally, so far, we've found that ObamaCare will increase premiums in the individual market by an average of 24%.

Poorer Americans will be insulated from these increases by ObamaCare's subsidies. But the middle class will face a double whammy: higher premiums, along with higher taxes to pay for the subsidies that others receive. Younger, healthier Americans will get hit especially hard under this system.

And everyone agrees that the success of ObamaCare hinges on the Obama administration's ability to persuade young people to buy in — to pay for insurance that is even costlier than the coverage they already can't afford. That isn't what Democrats promised when they named their bill "The Affordable Care Act."

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