Get Prepared for Obamacare Sticker Shock in November

August 18, 2016 - Open enrollment for Obamacare will begin on November 1st, for 2017 health care plans. Consumers should prepare themselves for large price increases and many will be forced to change plans, insurance companies and doctors once again. According to the Kaiser Family Foundation, average rates will increase by nearly 9% nationally, but rate increases will vary dramatically based on the state you live in, your age and the insurance company you choose. Here is what consumers should be prepared for.

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The Kaiser Family Foundation survey actually paints a pretty rosy picture of next year's rate increases. For instance, it says that the average Silver Plan in Los Angeles will see a rate increase of 3% with a premium of $251 per month. As a California resident, I can tell you that I'm paying more than three times that amount on my Silver Plan. At the very least, this means that rates are not distributed evenly.

Of course, this is anecdotal evidence. So here are some real world examples of the financial pain consumers are likely to feel in the near future.

Arizona's two largest insurers - Blue Cross Blue Shield of Arizona and Phoenix Health Plans - have both requested premium increases of at least 60%. Similar increases are planned by insurers in Tennessee and Illinois. If you live in Alabama and use Blue Cross Blue Shield, you can expect a rate increase of approximately 40%.
These are just a few examples.

Millions of consumers will find that their options to offset these rate increases will be very limited. Aetna recently announced that it was withdrawing from exchanges in all by four states due to significant losses. Several other companies around the country have also decided to exit Obamacare exchanges. Obviously, consumers who currently have plans with these companies will be forced to change providers. And they may find that they have few other options.

Changing plans and insurance companies will also bring an additional source of frustration to many consumers as they discover that they have to switch doctors.

Anyone who doesn't feel that they can afford heal insurance should request an exemption. Last year, we published an article about how to go about this. You can find it here. Once you have the exemption, the IRS will not charge you any penalties for not having and insurance plan.

The rate increases and other changes may very well play a role in the November election. All of this pain is due to hit consumers just a week before the polls open for the general election.
byJim Malmberg
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