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'Obamacare' needs to be fixed, expert says

Subsidies help mute significant rate hikes

By Gary Achterberg News Graphic Staff

MEQUON — With enrollment for the Affordable Care Act launching for a fourth year this week, a local expert said the health coverage typically called Obamacare is sick, but still has a pulse.

"What has changed is the premiums have gone up; the real story is why," said Jon Rauser, owner of The Rauser Agency, which has offices in Mequon and downtown Milwaukee.

Rauser expanded his business several years ago to assist individual consumers in shopping for ACA plans. That is in addition to his traditional business of working as a broker of health insurance to small businesses.

As ACA enrollment begins, Rauser said consumers will find they have fewer choices. And, while the cost of plans has increased, he said the impact will not hit as hard for those who earn less than \$46,000 annually and qualify for a subsidy.

"It's expensive, but if you're getting a subsidy the world isn't coming to an end," he



Rauser

said in an interview with the News Graphic.

A recent study by the Henry J. Kaiser Family Foundation found that the cost of a benchmark midlevel "silver" ACA plan in Milwaukee is increasing 16 percent from \$326 to \$379 a month. With the tax credit

applied, the cost remains stable, going from a current \$208 to \$207 next year.

Even though two of the big players – Humana and UnitedHealthcare – have pulled out, there are six insurance companies marketing ACA plans in Ozaukee County, including a new option, Children's Community Health Plan. That is more choice than in many parts of the country, he said.

Rauser added many will see less flexibility as most plans limit consumers to narrow networks of physicians and hospitals.

"If you want Aurora and Froedtert, forget about it," he said. "There is no carrier in the individual marketplace who has it."

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The narrower networks are designed to manage care. Rauser suggested that, in some ways, that is a good thing.

"It's a better thing to have a health insurance company get to know you over a number of years," he said, using an example that the insurer can reach out to a customer and tell them they haven't had their annual physical or a flu shot, for instance.

"Managed care over a long period of time is a better way of managing costs than switching carriers every year," he said.

Rauser said that the rising cost of health care is the culprit behind much of the increase in premium costs.

"What I would love to have the public understand is the insurance companies are just utilities now," he said. "You're not allowed to lose money and you're not allowed to have an excessive profit.

"There are strict corridors – and they're simply passing through costs to the consumers," he added. "The premiums are high, but the cost of health care is high."

Rauser suggested that are some changes that Congress

can make to the ACA that could have a significant impact on its health going forward. He said the premiums for younger, healthier individuals have been increased dramatically. He said Congress needs to moderate that. He added that penalties need to increase for those who do not have health insurance to encourage younger people to get covered.

He added that "a risk-sharing mechanism" that would have the government stepping in with catastrophic claims "would be a huge initiative."

"You have to give (insurers) the tools to manage the risks," he said. "The opportune time to do it is after Nov. 8 (the election). There is a short period of time when we can stop playing politics with the health care law."

Rauser said that despite the calls from some politicians, the Affordable Care Act, in some form, is here to stay.

"You're not going to throw the law away," he said. "You're not going to go back to a time when insurance companies are allowed to apply pre-existing conditions limitations. That horse is out of the barn."

Email: gachterberg@conleynet.com