

OCTOBER 28, 2009

The WellPoint Revelation

Private insurance premiums could triple under ObamaCare.

Washington is captivated by the Senate melodrama over the so-called public option, salivating at the ring of Harry Reid's political bell (see below). But the most important health-care questions continue to be about the policy substance—particularly those that Democrats don't want asked.

Foremost among them is: How will ObamaCare affect insurance premiums in the private health-care markets? Despite indignant Democratic denials, the near-certainty is that their plan will cause costs to rise across the board. The latest data on this score come from a series of state-level studies from the insurance company WellPoint Inc.

At the request of Congressional delegations worried about their constituents—call it a public service—WellPoint mined its own actuarial data to model ObamaCare in the 14 states where it runs Blue Cross plans. The study therefore takes into account market and demographic differences that other industry studies have not, such as the one from the trade group America's Health Insurance Plans, which looked at aggregate national trends.

In all of the 14 states WellPoint scrutinized, ObamaCare would drive up premiums for the small businesses and individuals who are most of WellPoint's customers. (Other big insurers, like Aetna, focus on the market among large businesses.) Young and healthy consumers will see the largest increases—their premiums would more than triple in some states—though average middle-class buyers will pay more too.

Not even two hours after Wellpoint had presented its materials on the Hill, Democrats were already trashing it—which, considering that it runs to some 238 pages and took weeks to prepare, must have required remarkable powers of digestion and analysis.

"This is yet another insurance-industry report that twists the facts to produce a skewed result," averred Linda Douglass, the White House communications director on health care. Said a spokesman for the Senate Finance Committee, "This is akin to the tobacco companies commissioning another study claiming nicotine isn't addictive and cigarettes don't cause cancer." So in its Saul Alinsky fashion, the White House again attacks the messenger so it can avoid rebutting the message.

In fact, what distinguishes the Wellpoint study is its detailed rigor. Take Ohio, where a young, healthy 25-year-old living in Columbus can purchase insurance from WellPoint today for about \$52 per month in the individual market. WellPoint's actuaries calculate the bill will rise to \$79 because Democrats are

going to require it to issue policies to anyone who applies, even if they've waited until they're sick to buy insurance. Then they'll also require the company to charge everyone nearly the same rate, bringing the premium to \$134. Add in an extra \$17, since Democrats will require higher benefit levels, and a share of the new health industry taxes (\$6), and monthly premiums have risen to \$157, a 199% boost.

Meanwhile, a 40-year-old husband and wife with two kids would see their premiums jump by 122%—to \$737 from \$332—while a small business with eight employees in Franklin County would see premiums climb by 86%. It's true that the family or the individual might qualify for subsidies if their incomes are low enough, but the business wouldn't qualify under the Senate Finance bill WellPoint examined. And even if there are subsidies, the new costs the bill creates don't vaporize. They're merely transferred to taxpayers nationwide—or financed with deficits, which will be financed eventually with higher taxes.

The story is largely the same from state to state, though the increases are smaller in the few states that have already adopted the same mandates and regulations that Democrats want to impose on all states. For the average small employer in high-cost New York, for instance, premiums would only rise by 6%. But they'd shoot up by 94% for the same employer in Indianapolis, 91% in St. Louis and 53% in Milwaukee.

A family of four with average health in those same cities would all face cost increases of 122% buying insurance on the individual market. And it's important to understand that these are merely the new costs created by ObamaCare—not including the natural increases in medical costs over time from new therapies and the like.

Democrats have been selling health care as one huge free lunch in which everyone gets better insurance while paying less. But the policy facts simply don't add up, and Democrats are attacking WellPoint because they don't want anyone to understand what their health-care schemes will mean in practice. Democrats know that if the public is given the facts and the time to consider them, Americans might demand that Democrats stop pushing the country off this cliff and start all over.

Printed in The Wall Street Journal, page A22

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