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# Massachusetts Health Connector customers could see 26 percent rate hike in 2018

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Massachusetts Health Connector 2016 Home Page.(Massachusetts Health Connector 2016 Home Page)

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If Congress does not act, many Massachusetts residents buying health insurance through the state's Health Connector will see their premiums increase by an average of 26 percent next year.

The new rates were loaded into the Health Connector on Wednesday, so they could be tested before open enrollment starts Nov. 1.

Gov. Charlie Baker wrote in a letter to Massachusetts' congressional delegation, "I continue to urge you to work with your colleagues and with states to make health care reforms that will preserve and expand gains in coverage, while controlling costs for consumers."

According to data provided by the Massachusetts Health Connector, the new rates for 2018 for a mid-range "silver" plan were expected to be 10.5 percent higher than 2017 rates. But now, these plans' premiums will increase by a total 26 percent to make up for the loss of federal money from "cost-sharing

reduction" payments. (Other state officials have talked about an increase of 18 percent more than the 8 percent increase that was anticipated, because it depends how you calculate the numbers.)

The cost-sharing reduction payments are payments that the U.S. government makes to insurers under the Affordable Care Act to offset the cost of providing insurance to low-income individuals.

After Republicans in Congress failed to reach a deal to repeal and replace the Affordable Care Act, President Donald Trump said he would stop funding the cost-sharing program. For 2018, Massachusetts will lose approximately \$146 million in federal payments to insurers, so insurers must increase their rates to make up for that.

Jason Lefferts, a spokesman for the Health Connector, said the high rates will impact up to 80,000 members.

There are 161,000 people today who benefit from cost-sharing reduction payments. But low-income individuals who buy subsidized plans -- mostly those on state-subsidized ConnectorCare plans -- will get federal tax credits to offset the premium increase.

The problem for customers is that all plans offered by insurers on the health care exchange will increase. So the 80,000 people who end up being affected will be those individuals who are buying unsubsidized plans on the market -- typically, individuals earning more than \$47,550 or a family of four with an income of over \$97,200.

"We encourage members to shop around for the best plan for individuals and their families," Lefferts said.

Trump has said he will stop funding the payments immediately. That means Massachusetts insurers also stand to lose \$28 million this year. State government has committed to covering those losses.

Although it is not yet clear how the state will do that, Baker wrote in his letter to the congressional delegation, "In the near term, my administration is committed to taking whatever steps are necessary to protect the stability of the health insurance market for 2017."

The Health Connector will send out its first email Thursday letting affected customers know about the change.

Baker, a Republican, has been advocating to members of Congress to restore the payments.

Massachusetts Attorney General Maura Healey, a Democrat, has joined a national lawsuit aimed at forcing the Trump administration to restore them.

"Massachusetts is a health care leader and success story, but even we are not immune to President Trump's efforts to sabotage the Affordable Care Act," said U.S. Senator Ed Markey, D-Massachusetts, in a statement. "Ending the federal

payments to help with out-of-pocket health care costs impacts everyone in the individual insurance market. When Bay Staters see their premiums spike next year, they can place the blame squarely on President Trump."

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