

**Universal Coverage + Guaranteed Issue + Modified Community Rating  
= 95% Rate Increase**

**Health Insurance Rates to Almost Double for Many Americans!  
*Just Look at Massachusetts***

Members of Congress are considering universal coverage, guaranteed issue and community rating. These reforms could increase the cost of health insurance 75 to 95 percent for most Americans who buy their own coverage, according to a new study by the Council for Affordable Health Insurance (CAHI) and health insurance actuary Mark Litow.<sup>1</sup> What does that mean for families?

**Health Insurance Prices to Almost Double**

CAHI first looked at the price of a family health insurance plan with a \$2,000 or \$2,500 deductible (some copays and other benefits vary) in several states. Then CAHI compared those rates to the expected increase predicted by the CAHI study. *Health insurance rates will almost double for most American families who buy their own policies if Congress passes universal coverage, guaranteed issue and community rating!*

**Health Insurance Prices Before and After Reform<sup>2</sup>  
(Family of Four)**

Location	Deductible	Current Monthly Cost	Cost of Health Insurance Under Democratic Plans <sup>3</sup>
Lincoln, NE	\$2,500	\$260 to \$380	\$507 to \$741
Indianapolis, IN	\$2,500	\$300 to \$380	\$585 to \$741
Little Rock, AR	\$2,500	\$250 to \$300	\$488 to \$585
Jefferson City, MO	\$2,000	\$380 to \$500	\$741 to \$975
Baton Rouge, LA	\$2,500	\$200 to \$350	\$390 to \$683
Nashville, TN	\$2,000	\$375 to \$420	\$731 to \$819
Denver, CO	\$2,000	\$350 to \$420	\$682 to \$819
Helena, MT	\$2,500	\$440 to \$500	\$858 to \$975
Tallahassee, FL	\$2,500	\$319 to \$472	\$622 to \$920

**Massachusetts: Health Care Reform's Guinea Pig**

Massachusetts is the only state that has produced a health care system similar to what President Obama and the congressional Democrats want — universal coverage, guaranteed issue, community rating or modified community rating, and a connector/exchange, which is *supposed* to facilitate purchasing coverage and put pressure on insurers and providers to keep costs down.<sup>4</sup>

Let's take a look at the cost of health insurance for a family of four in Massachusetts.

**Cost of Health Insurance<sup>5</sup>**  
**North Adams, Massachusetts**  
**(Family of Four)**

<b>Plan</b>	<b>Deductible</b>	<b>Monthly Premiums</b>
Harvard Pilgrim (cheapest plan)	\$1,750 for individual \$3,500 for family	\$786
Health New England	\$2,000 for individual \$4,000 for family	\$805
Fallon Community Health Plan	\$2,000 for individual \$4,000 for family	\$816
Blue Cross Blue Shield of Massachusetts (most expensive plan)	\$0	\$1,641

The cheapest plan in Massachusetts for this family of four is more than \$9,000 a year, and the most expensive plan is more than \$19,000 a year! Depending on the state selected in the first table, the post-reform premiums roughly doubled, and about the same as those consumers currently pay in Massachusetts — just as the CAHI model predicted.

**Can Families Afford Health Care Reform?**

The empirical evidence demonstrates that these reforms — universal coverage, guaranteed issue and community rating — increase the cost of health insurance. Look at these rates and then ask yourself: Will American families be able to afford “health care reform”?

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<sup>1</sup> Merrill Matthews, “Should We Abandon Risk Assessment in Health Insurance,” Issues and Answers No. 154, Council for Affordable Health Insurance, May 2009.

<sup>2</sup> State estimates come from ehealthinsurance.com; husband and wife both aged 35 with a 10-year-old boy and 9 year-old girl.

<sup>3</sup> Based on estimates from “Should We Abandon Risk Assessment in Health Insurance.”

<sup>4</sup> “Universal coverage” in this case means a requirement that everyone have health insurance or pay a penalty; guaranteed issue requires insurers to accept any applicant regardless of health status; community rating requires insurers to charge all applicants the same premium regardless of health status, age or other factors; and modified community rating allows some variations in premiums.

<sup>5</sup> Rates are from the Massachusetts Health Insurance Connector, which shows all 14 plans that are available for a family in North Adams, Massachusetts.