Obamacare Is Considering Extending Individual Health Insurance Policies

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Is Obamacare unraveling?

Rumors have been circulating in the marketplace all week that the administration was thinking of extending the individual health insurance policies that Obamacare was supposed to have cancelled for as much as three more years.

Those rumors have now come out into the open with Tom Murphy's *AP* story [1] that began running recently.

That the administration might extend these polices shouldn't come as a shock. My sense has always been that at least 80 percent of the pre-Obamacare policies would ultimately have to be canceled because of the administration's stringent grandfathering rules that forced almost all of the old individual market into the new Obamacare risk pool.

But with the literal drop dead date for these old policies hitting by December 31, 2014, that would have meant those final cancellation letters would have had to go out about election day 2014. That would have meant that the administration was going to have to live through the cancelled policy nightmare all over again — but this time on election day.

The health insurance plans hate the idea of another three-year reprieve. They have been counting on the relatively healthy block of prior business pouring into the new Obamacare exchanges to help stabilize the rates as lots of previously uninsured and sicker people come flooding in. With enrollment of the previously uninsured running

so badly thus far, getting this relatively healthier block in the new risk pool is all the more important. The administration's now doing this wouldn't just be changing the rules; it would be changing the whole game.

Republicans, and a few vulnerable Democrats, had essentially called for this last fall when legislation was floated in both the House and Senate with the "If You Like Your Policy You Can Keep It," proposals. At the time, the administration and Democratic leaders rightly said if this sort of thing would have been made permanent it would have a very negative impact on what people in the new pool would pay – and on their already high deductibles and narrow networks.

At the beginning of this post I asked, "Is Obamacare unraveling?"

Continue reading... [2]

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