

Insurers Voice Concern Over House GOP's Outline for Health Law Repeal

Republicans' preliminary plans raise more questions from industry

By [ANNA WILDE MATHEWS](#)

House Republicans' outline of an Affordable Care Act repeal plan left health insurers increasingly worried about the future of the health law's exchanges, despite a Trump administration proposal earlier this week aimed at providing stability.

The [new House Republican plan](#), whose backers include House Speaker Paul Ryan (R., Wis.), is far from a complete bill, and the limited summary highlighted many GOP divisions over the health overhaul's future. President Donald Trump has promised to deliver an [initial ACA replacement plan next month](#).

Still, insurers saw the House document as a key signal and parsed it closely. Many were concerned that they found no answers to some of their most important questions—and some of what they did find was alarming. For instance, insurers said, the outline promised to immediately end enforcement of the ACA's coverage mandate but appeared to offer no replacement mechanism that would prod healthy consumers to purchase plans.

"I'm very concerned that we won't be able to participate in the marketplace" next year, said Mario Molina, chief executive of [Molina Healthcare](#) Inc. "It would be irresponsible for us to go forward based on a PowerPoint presentation." He said that if the industry doesn't soon see concrete Republican plans to address the major issues with the exchanges "many insurers are going to withdraw."

Molina offers exchange plans in nine states and this week said it suffered steep losses for 2016 on the business.

The insurers' reactions are important because some already are making decisions about their 2018 marketplace plans. Most notably, [Humana](#) Inc. said Tuesday that it [won't offer ACA coverage in the 11 state exchanges](#) where it sold this year. Other insurers, including [Anthem](#) Inc., [Cigna](#) Corp. and [Aetna](#) Inc., have said they will be reconsidering their participation and pricing in coming months.

In many states, insurers file their 2018 plans in the spring, though they typically can wait longer to make final decisions. The Trump administration said it plans to push back federal deadlines for insurers' filings, one of a [series of moves it proposed earlier this week](#) in an effort to create more incentives and certainty for insurers offering plans on the ACA exchanges.

But the House Republican outline appeared to cut against the soothing message of the proposed rule. "We still have not seen anyone address the primary things we have recommended for stabilizing the market for 2018," said a spokeswoman for America's Health Insurance Plans, a group that represents health insurers. Those include continuing to fund, at least on an interim basis, subsidies that help lower-income marketplace consumers pay premiums and out-of-pocket care costs.

The House Republican outline suggested age-based tax credits to help consumers with premiums but didn't lay out details. The current subsidies are tied to income, and the outline said they would be repealed but during a transition period they might be only tweaked based on age. The subsidies for out-of-pocket costs are a particular concern for insurers because they could be in immediate peril—an earlier court decision puts their payment in question.

The Department of Health and Human Services didn't respond to a request for comment.

Mr. Ryan's office didn't immediately respond to a request seeking comment, but on Thursday, Mr. Ryan said House Republicans would introduce legislation to repeal and replace the ACA after lawmakers return from next week's Presidents Day recess. He said their plan would offer consumers "more choices and lower costs."

Martin Hickey, chief executive of New Mexico Health Connections, said his nonprofit was eyeing a potential 40% rate increase for next year on marketplace plans, with around 15 to 20 percentage points of that due to the impact of potential changes regarding the coverage mandate.

That includes the likely end of enforcement as well as a recent policy shift by the Internal Revenue Service, which said it would process tax filings from consumers that don't say whether they met ACA health-coverage requirements; earlier, the agency had said it would stop accepting such "silent" tax returns this year.

The rate may need to be higher still, he said. "You basically price off a worst-case scenario," he said. "I didn't see anything in there I would consider exchange-stabilizing," he said of the House Republican outline.

Another key issue for insurers that hasn't been addressed by recent Republican proposals is an existing ACA program known as risk adjustment that was designed to help smooth out costs. "If they do not fix risk adjustment, these markets will die," said Tom Policelli, chief executive of Minuteman Health, which offers marketplace plans in Massachusetts and New Hampshire.

—*Stephanie Armour contributed to this article.*

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