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Health Insurance Premiums Rising Faster Than Wages

On Obamacare's sixth anniversary, report finds premiums up 28 percent in five years

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Health insurance premiums have increased faster than wages and inflation in recent years, rising an average of 28 percent from 2009 to 2014 despite the enactment of Obamacare, according to a [report](#) from Freedom Partners.

President Obama [signed](#) the Affordable Care Act into law on March 23, 2010, and Wednesday is the law's sixth anniversary.

The Obama administration expressed concern in 2009 about skyrocketing health care premiums in a report entitled, "The Burden of Health Insurance Premium Increases on American Families." They were concerned that premiums had increased by 5.5 percent from 2008 to 2009.

However, from 2010 to 2011 in the first year after Obamacare was enacted, premiums increased by 9.4 percent.

"In 2009, when the [Executive Office of the President] issued its report, states had seen premiums increase on average by 30 percent between 2004 and 2009," states the Freedom Partners report. "But since 2009, health insurance premiums have continued to grow faster than wages in nearly every state, averaging a 28 percent increase from 2009 to 2014, resulting in a greater amount of disposable income being consumed by rising premiums."

According to the report, while premiums increased by 28 percent from 2009 to 2014, wages increased by only 7.8 percent. From 2004 to 2009 when premiums increased by 30 percent, wages increased by only 12.2 percent.

The data also finds that health care costs have exceeded the rate of inflation. "The average annual cost of a family's employer-sponsored health insurance policy was \$17,545 in 2015, which marks a 4.2 percent increase from the 2014 average of \$16,834, while the inflation rate remained low at 0.1 percent," states the report. "With health care costs still rising faster than inflation six years after passage of the Affordable Care Act, it is clear that the law is not helping lower the burden of health care expenses for American families."

Americans can expect their health care costs to rise again in 2017. According to Stephen Parente, a scholar at the University of Minnesota, each type of health care plan on the exchanges can [expect](#) to see an average premium increase of 7.3 percent for families and 11 percent for individuals.

“The Administration claimed the ACA would bend the cost curve, but our report shows it bent in the wrong direction—premiums didn’t slow down under the Affordable Care Act, they sped up,” said Nathan Nascimento, senior policy adviser at Freedom Partners. “No wonder the White House is trying to change the national conversation away from health care costs. By their own standards, the Affordable Care Act has failed.”

The Department of Health and Human Services did not respond to requests for comment by press time.

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