

# Sabotage by Health Care Industry & Conservative Politicians True Cause of Rising Health Premiums

Written by Citizen Action of Wisconsin, Kevin Kane  
Wednesday, 12 October 2016 11:03

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<http://newiproggressive.com/images/stories/S5/health-care-costs-s5.jpg>



***Blaming ObamaCare is a political gambit, not health policy. A robust public option and controlling prescription drug costs essential.***

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STATEWIDE - The 2017 health insurance premium rates [released by the Walker Administration](#) present an incomplete picture.

While the release of rates by the Office of the Commissioner of Insurance is a step forward from last year, when [Wisconsin was the only state not to release premium prices](#) in advance, the agency's press release is silent on the causes of health insurance inflation. This silence has muddled this critical public policy question and left the door open to misleading explanations that won't help us make health care more affordable.

Rising health insurance premiums are not being driven by the Affordable Care Act (ACA), but by the reemergence of health insurance industry discrimination and price gouging by pharmaceutical corporations and medical service providers.



First, prices for medical services and prescription drugs are the main drivers of health insurance inflation. According to [the Consumers Union Health Care Value Hub](#), academic research has clearly established that the largest factor in health insurance prices is the rising cost of medical services and prescription drugs. Although it is not even mentioned in the Insurance

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Commissioner's press release, many of [the rate filings by the health insurance companies themselves](#) blame the increases on skyrocketing drug costs charged by pharmaceutical corporations and the rising costs of all medical services. Some Wisconsin insurers report annual cost increases of over 12% from pharmaceutical corporations and increases of over 8% from other medical providers.

The problem of rising medical prices is especially acute here. A recent report based on national insurance claims data found that [Wisconsin has the 2nd highest medical prices in the nation](#) ! Despite this research bombshell, policymakers in Madison have taken no significant action on health care costs, and have ignored all the proposals made by the minority party in the Legislature. It is also critical to understand that the ACA did not cause prescription drug and medical service costs to rise, so repealing the law will not do anything to lower these prices.

Second, the big national health insurance companies are using new means to discriminate against people with health conditions. Although outright denial of coverage is now outlawed by the ACA, the titans of the industry are pulling out of ACA marketplaces because they have found a way to insure healthier people through other "off-exchange" lines of insurance. People buying insurance on the ACA marketplaces are those who were left out by the old discriminatory health insurance system. This includes people with health conditions who were denied coverage, those without coverage at work like early retirees, independent contractors, farmers, the working poor, young people just starting their careers, and many others. The abandonment of the new ACA marketplace by big insurance is a pre-existing condition discrimination by another name.

Third, political sabotage at the state and national level is blocking efforts to build on the Affordable Care Act and take the next steps to make health care affordable. The Insurance Commissioner has used his authority [to deliberately rig the health insurance system and raise rates](#) . The Governor and the State Legislature have not taken up any of the cost reform legislation proposed by the Democrats, including a strong [rate review bill](#) and a bill to [bring down prescription drug prices](#) . Similarly, in Congress the conservative majority has blocked all improvements or fixes to the ACA; they prefer to sabotage the law and force its repeal. Congress has taken up no major legislation to address skyrocketing prescription drug and medical costs.

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~~1. The health care industry and conservative politicians are the true cause of rising health premiums.~~