

Humana Shareholder Meeting Question
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I'm David Hogberg, senior fellow at the National Center for Public Policy Research. Today, I am representing my colleague at the National Center, Amy Ridenour, who is a Humana shareholder.

Mr. Broussard, in January, you said the health insurance exchanges created by the Affordable Care Act are "probably a good thing" despite admitting that they have "some bumps," that the company could take some losses and that the "verdict's out" on whether enough young, healthy folks will sign-up, as needed to keep the program viable.¹

One part of the law is the risk corridor, an ObamaCare device that could lead to a taxpayer bailout of companies such as Humana. The risk corridor requires companies that make a profit on the exchanges to use some of those profits to help insurers who take a loss on the exchanges. However, if there are more insurers who are losers on the exchange than there are ones who make a profit, the taxpayers then step in to help the insurers who have incurred losses. Thus far the Congressional Budget Office predicts that the risk corridors won't cost taxpayers any money, but the CBO has been wrong in its predictions before.

In February, Forbes reported that Humana planned to take up between \$250 and \$450 million from the "risk adjustment mechanisms in ObamaCare" including the risk corridor.² Then in March, the Obama Administration proposed changes to the ACA that may increase this potential bailout for insurers in 2015 by ballooning the amount that taxpayers may have to pay insurers for company losses.³

My question to you is, if the situation arises where Humana qualifies for taxpayer money through the risk corridor, can we get your promise that you will reject it?

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¹ <http://www.forbes.com/sites/theapothecary/2014/01/10/humana-obamacare-exchange-enrollment-more-adverse-than-previously-expected/>

² <http://nypost.com/2014/03/21/obamas-ever-growing-insurance-company-bailout/>

³ <http://blog.independent.org/2014/03/20/obamacares-risk-corridor-bailout-just-got-bigger-much-bigger/>