

Idaho's winners and losers under GOP health care bill

Federal health insurance subsidies will shift from lower-income to higher-income Idahoans under the new Republican health care proposal making its way through Congress.

“The folks who are older, who live in higher-cost areas — those tend to be rural areas — those are the ones who are probably not going to benefit as much as, say, a younger person who’s living in an urban area and makes a little more money,” said Michelle Long, an analyst for the Kaiser Family Foundation. The health care information nonprofit recently gathered data to determine how the new proposal would affect tax credits.

The American Health Care Act, the bill put forward by Republican lawmakers, would change the formulas for health insurance premium subsidies that were established by the Affordable Care Act. It also would get rid of some ACA subsidies that help low-income people afford out-of-pocket costs, such as copays.

More than 85,000 Idahoans currently use the tax credits to pay for their health insurance.

Currently, the subsidies are based on household income, age and the cost of health insurance where the person lives, Long explained. The bill to replace the ACA would change that, basing subsidies only on age. (It also would tie the subsidy to just above the rate of inflation. Long said the tax credits would become less valuable over the years; health care costs rise faster than inflation.)

As a result of the change, a 50-year-old would receive the same tax credit whether he makes \$20,000 or \$50,000 a year. Without the ACA’s adjustment for geography, that 50-year-old would likely end up paying more out of pocket if he lived in a part of Idaho where health care tends to be pricier — such as Eastern Idaho or a rural county.

Under the new system, some upper-middle-class Idahoans would see a rise in tax credits — or qualify for them when they didn’t before — while lower-income Idahoans would see a decrease.

The bill also would cause a large shift within Idaho’s middle class. For a 40-year-old Magic Valley resident who makes \$30,000 a year, the Republican proposal would bring a 12 percent increase in tax credits. For a 40-year-old in the same area who makes \$50,000 a year, the proposal would bring a 6,043 percent increase.

The most drastic cuts would be for 60-year-olds making \$20,000 a year in Lewis County. Their tax credits will be reduced by \$6,510 a year.

The largest dollar-amount increase in tax credits would be for 60-year-olds statewide who make \$75,000 a year — for whom tax credits will increase by \$4,000.

85,000 — *Number of Idahoans who currently use the tax credits to pay for their health insurance*

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