

ID health exchange among best

After support crumbled Monday for a third Republican plan to repeal and replace the Affordable Care Act, President Donald Trump took to Twitter with a new plan.

“As I have always said, let Obamacare fail and then come together and do a great health care plan. Stay tuned!” Trump tweeted in the early morning hours the day after the latest Senate plan fell apart.

There have been concerning developments in many individual insurance markets throughout the country, with some major national insurers exiting, leaving residents of many counties and some entire states with only one or two options for health insurance. That hasn't been true in Idaho, where the state exchange, Your Health Idaho, hasn't seen any insurers flee the market.

The number of insurers has remained stable as utilization of the marketplace has steadily climbed, approaching 106,000 by the end of the 2017 open enrollment period, up 8 percent from the prior year. Premiums increased sharply this year, 24 percent on average, as insurers reported they were paying out more in claims than they received through premiums, but that's in line with the national average increases for individual health plans.

That's true even though Idaho has much in common with many of the states with the most stressed insurance exchanges, mostly concentrated in the South and West: sparse populations, low incomes and state leaders staunchly opposed to the ACA. Unusual among this group, Idaho chose to implement a state exchange under the ACA rather than relying on the federal exchange.

Market competitive

A January county-by-county analysis by the Heritage Foundation, a conservative think tank opposed to the Affordable Care Act, found that purchasers on Your Health Idaho have more choice (and insurers face more competition) than in any other state with the exception of Massachusetts. In Massachusetts, which implemented an ACA-like system under Republican Gov. Mitt Romney, every purchaser has five options to choose from.

That's true in most of Idaho as well, especially its most populated areas including the Treasure Valley, Magic Valley and the areas surrounding Coeur d'Alene and Idaho Falls. In much of the northern panhandle, as well as Clark, Butte and Teton counties, there are four insurers to choose from. That puts every county in the Gem State in the top 10 percent of counties nationwide in terms of competition.

Compare that to neighboring Wyoming, which chose not to implement a state exchange, and where every resident buying insurance on the individual market has only a single option, giving Blue Cross/Blue Shield, for the time being at least, a monopoly on the individual insurance market.

Your Health Idaho has outperformed exchanges around the nation in its ability to attract and retain insurers. The exchange was also designed to run without taxpayer support, drawing its budget instead from fees assessed to health plan purchasers. Those fees are lower than those charged on the federal exchange.

Why Idaho?

Gov. C.L. “Butch” Otter, who pushed for the state to implement the exchange, and exchange executive director Pat Kelly, have previously attributed Your Health Idaho’s high performance to efforts to retain a central role for insurance agents and brokers.

Edmund Haislmaier, a senior research fellow at Heritage and the lead author of the paper, said the emphasis on continuing a role for insurance agents and brokers does explain some of Your Health Idaho’s success.

“I think that probably has played a role,” Haislmaier said. “We know from other states that, if you’re looking at keeping people enrolled, the agent/broker route has worked better.”

Haislmaier said agents and brokers have specialized financial understanding that helps individual buyers choose plans that meet their finances and health care needs, and they retain an ongoing role servicing those health care policies when, for example, a customer has a dispute with an insurer. And that keeps more patients in the market.

Haislmaier said another reason Idaho has outperformed other states is the mix of insurers in Idaho’s individual market. In many states, the individual markets were primarily filled by large national insurers such as United, Aetna, Cigna and Humana. The individual insurance market represents only a very small portion of these companies’ business, which is mostly focused on employer-sponsored insurance. That means if the market is tough or the political winds are uncertain, it’s easy for big insurers to walk away.

States where exchanges are functioning better, including Massachusetts, Idaho, Oregon, California and Wisconsin, have a larger presence of smaller, regional insurers, Haislmaier added.

“The pattern that I see is that you’ve got some local or regional (insurers) that seem to have stuck with this,” he said.

Repeal effort continues

It has so far been impossible for Majority Leader Mitch McConnell to patch together the 50 votes he needs (Vice President Mike Pence would break the tie) to get a bill through the Senate’s reconciliation procedure. The reconciliation procedure puts limits on the kinds of bills that can be considered, and no plan so far has come near the 60 votes that would be needed to break a filibuster without reconciliation.

The GOP is bleeding support from both ends.

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Three Republican senators — Rand Paul of Kentucky, Mike Lee of Utah and Jerry Moran of Kansas — have all said they wouldn't vote for the latest Senate plan because it doesn't go far enough to repeal the Affordable Care Act.

At the other end, there have been two defections by Senate Republicans who opposed the Senate plan because of cuts to Medicaid. Sen. Susan Collins of Maine has long criticized the proposed Medicaid cuts, and Tuesday night Sen. Shelley Moore Capito of West Virginia issued a statement indicating she wouldn't support any plan that didn't provide affordable care for West Virginians who have benefited from Medicaid expansion.

"I did not come to Washington to hurt people," Capito said.

Repeated failures to reach a majority notwithstanding, Trump has asked senators not to return home until they have passed a repeal-and-replace plan, according to CNN.

And a major remaining risk for all the exchanges comes from political uncertainty, particularly around cost-sharing subsidies. The subsidies, which are different from the subsidies given to individuals that purchase exchange plans, are paid by insurers to offset the out-of-pocket costs faced by lower-income patients. The federal government then pays the insurance companies back.

But, according to Reuters, Trump has repeatedly threatened to eliminate those federal payments, leaving insurers uncertain of their costs for the coming year. Some have preemptively hiked premiums in case the federal payments don't come through, and others are considering exiting individual markets because of the uncertainty. The insurance industry has sent letters to both Trump and Congress asking for a final decision, saying removing the uncertainty is "the most critical action to help stabilize the individual insurance market."

The repeal effort comes as public support for the Affordable Care Act has grown. Beginning around the turn of the year, most polls have shown a plurality of support for the ACA, with the number of Americans saying they support the program overtaking the number who say they oppose it. The opposite had been true since mid-2009.

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