

IMPulse

Intermountain Media Pulse

A TRUETONE INCORPORATED COMPANY

**news
CLIP**

11623 Lake Shore
Nampa, ID 83686
(208) 880-9814

FOR YOUR INFORMATION
The Spokesman-Review
Spokane, Washington
Friday Oct. 13, 2017
by **Becky Kramer &
Betsy Z. Russell**
Page 1 of 2

Reaction split on insurance order

Region's Republicans praise move; Democrats say it will damage markets

Reaction to President Donald Trump's executive order on federal health care reform Thursday was swift and divided across the region.

Republican lawmakers praised the order, which Trump touted as a way to give U.S. consumers better access to health insurance plans featuring lower premiums.

U.S. Sen. Jim Risch, R-Idaho, called the plan "a good early step" in addressing the high cost of insurance for small businesses.

But Democrats and others said the order would weaken consumer protections by allowing "junk" health insurance plans that lack coverage for basic items such as prescription drugs or hospitalizations. They said the president's actions are adding to uncertainty for health insurers, which will raise costs for people buying individual plans.

"The executive order President Trump issued today proposes a misguided and simplistic solution to fix a complex problem — the growing costs of health care," Mike Kreidler, Washington's insurance commissioner, said in a statement.

Trump's executive order allows "healthier and younger people to pick skimpier, cheaper coverage, leaving the older and the sick to pay more," Kreidler said. "This may lower some people's cost in the short term — as long as they don't get sick."

As the order is written, "it almost guarantees the eventual collapse of our health insurance markets," Kreidler said.

Since Trump's order has to go through the federal rule-making process, implementation is months away.

Trump wants to ease the way for associations of employers to sponsor coverage that can be marketed across state lines. Republicans believe the cross-state competition will lower premiums for individual purchasers and small companies. The "association health plans" could be shielded from some state and federal requirements, but the White House said employers won't be able to exclude any workers or charge sick employees more.

The Trump administration also wants to ease restrictions on short-term insurance policies lasting less than a year. The policies are not subject to current state and federal rules that require standard benefits and other consumer protections.

The order also would allow employers to set aside pretax dollars, which workers could use to buy individual health policies.

"Executive orders, by their nature, don't have a lot of details," said Debra Davis, compliance counsel in Irvine, California, for Arthur J. Gallagher & Co., an insurance brokerage and risk management firm. "Within (a few) months, we'll know more about what the administration has in mind."

IMPulse

Intermountain Media Pulse

A TRUETONE INCORPORATED COMPANY

**news
CLIP**

11623 Lake Shore
Nampa, ID 83686
(208) 880-9814

FOR YOUR INFORMATION
The Spokesman-Review
Spokane, Washington
Friday Oct. 13, 2017
by **Becky Kramer &
Betsy Z. Russell**
Page 2 of 2

Federal agencies are supposed to propose regulations based on Trump's order within 120 days. But the adoption of federal rules, which require a public comment period, is many months away.

The Washington State Hospital Association shares the state's insurance commissioner's concerns, said Chris Bandoli, the association's vice president of government affairs.

Federal action that increases uncertainty for insurance carriers is also bad for hospitals, Bandoli said. Hospitals also worry that easing restrictions on out-of-state insurance products could leave consumers with "sham policies," he said.

People might buy cheap insurance policies, only to discover their local hospitals aren't in network or the plan doesn't cover their health needs, Bandoli said.

The Association of Washington Business, however, issued a statement praising the expansion of association health plans. The plans have been in use since 1995 in Washington, where they must offer built-in consumer protection and guaranteed coverage to employees, AWB officials said.

"The success of the president's order will depend on the details of how it is implemented, but we welcome action that will expand coverage and reduce cost to high-quality health care," AWB President Kris Johnson said.

Idaho Insurance Director Dean Cameron, meanwhile, said the president's executive order is unlikely to have much impact in his state.

Association health plans are likely to have little effect in the Gem State, he said. "They may be a good idea for some associations ? but frankly, we don't see very many association health plans work that well. ? They're all based on the risks and health conditions of the people in that association."

An association full of young, healthy people might offer savings, but in one "that's full of 55-year-old overweight men like me, you're probably going to get charged higher rates," Cameron said.

Cameron is more upbeat about Trump's direction on short-term health plans, but he noted the Obama administration never enforced its limits on those plans.

"In our state, we're still selling short-term medical plans for up to 10 months in length." Nearly 4,000 Idahoans have purchased those low-cost plans, which may offer limited coverage and exclude pre-existing conditions.

"Honestly, I am somewhat disappointed it didn't go further," Cameron said of Trump's executive order. "Idahoans are hurting because of the dramatic increases in health care costs year after year, and that warrants some significant re-evaluation and change in the requirements that are put forth by the Affordable Care Act."

The Associated Press contributed to the report.

###

Copyright 2017 The Spokesman-Review