

How Trump health order affects Idaho

Small firms can band together to buy health coverage. In a later move Thursday, the White House said it plans to end cost-sharing payments, and that could push insurers out of exchanges.

Some Idaho leaders said Thursday that they are encouraged by President Donald Trump's new executive order on health care.

But the state's insurance regulator isn't sure the order will accomplish the cost savings Trump is touting.

"A lot of the provisions of the Affordable Care Act are drafted by rule, and frankly, we were hoping a little more of those would get reviewed, and maybe they still are," said Dean Cameron, director of the Idaho Department of Insurance. "I hope that this is a start."

The executive order, signed Thursday, was intended to allow small businesses and potentially individuals to buy a long-disputed type of health insurance that skirts state regulations and Affordable Care Act protections.

The White House and allies portray the president's move to expand access to "association health plans" as wielding administrative powers to accomplish what congressional Republicans have failed to achieve: tearing down the law's insurance marketplaces and letting some Americans buy skimpier coverage at lower prices. The order represents Trump's biggest step to carry out a broad but ill-defined directive he issued his first night in office for agencies to lessen ACA regulations from the Obama administration.

Critics, who include state insurance commissioners, most of the health insurance industry and mainstream policy specialists, predict that a proliferation of such health plans will have damaging ripple effects, driving up costs for consumers with serious medical conditions and prompting more insurers to flee the law's marketplaces. Part of Trump's action, they say, will spark court challenges over its legality.

Late Thursday night, the Trump administration said it plans to end key cost-sharing payments that help low-income people afford health insurance plans on the ACA exchanges. The short-term ramifications of this for Idaho could not be immediately confirmed.

The Washington Post reported that ending the payments is grounds for any insurer to back out of its federal contract to sell health plans for 2018. Some states' regulators directed ACA insurers to add a surcharge in case the payments were not made — but insurers elsewhere could be left in a position in which they still must give consumers the discounts but will not be reimbursed.

Fears that the White House would cut off the subsidies contributed to a 40 percent average hike to silver-tier plans insurers will sell on Idaho's exchange for 2018.

IMPulse

Intermountain Media Pulse

A TRUETONE INCORPORATED COMPANY

**news
CLIP**

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

FOR YOUR INFORMATION
The Idaho Statesman
Boise, Idaho
Friday Oct. 13, 2017
Staff & Wire Report
Page 2 of 3

The most far-reaching element of the president's earlier, multipronged order instructs a trio of Cabinet departments to rewrite federal rules for association health plans — a type of insurance in which small businesses of a similar type band together through an association to negotiate health benefits.

“The long-overdue actions taken today will finally bring them some relief, by providing small business owners with greater flexibility and more choices for employee health coverage,” said U.S. Sen. Jim Risch, an Idaho Republican who chairs his chamber's Small Business and Entrepreneurship Committee. “I remain committed to repealing and replacing the unworkable, unaffordable law, and this executive order is a great early step in providing more insurance options for small businesses.”

But it's not a silver bullet, said Cameron.

Insurance premiums are tied directly to the health of everyone covered by the plan, he said. The cost of an association health plan won't automatically be cheaper than anything else. It will depend on who's in the association — with older, unhealthy groups having to pay more than younger and healthier ones.

The order also is designed to expand the availability of short-term insurance policies, which offer limited benefits meant as a bridge for people between jobs or young adults no longer eligible for their parents' health plans. The Obama administration ruled that short-term insurance may not last for more than three months; Trump wants to extend that to nearly a year.

Cameron welcomed that change, saying the three-month limit was ill-conceived and put a hardship on consumers. But the extension won't change much in Idaho — federal and state governments never enforced the time limit for health plans sold here, he said.

In addition, Trump's action is intended to widen employers' ability to use pretax dollars in “health reimbursement arrangements” to help workers pay for any medical expenses, not just for health policies that meet ACA rules — another reversal of Obama policy.

Other aspects of the order are less specific: commissioning a study, to be led by federal health officials, of ways to limit consolidation within the insurance and hospital industries; and directing agencies to find additional means to increase competition and choice in health care to improve its quality and lower its cost.

In a late-Thursday morning signing ceremony in the White House's Roosevelt Room, surrounded by supportive small business owners and a few Republicans from Capitol Hill, the president spoke in his characteristic superlatives about the effects of his action and what he called “the Obamacare nightmare.”

Trump said that Thursday's move, which will initiate months of regulatory work by federal agencies, “is only the beginning.” He promised “even more relief and more freedom” from ACA rules. And while leading GOP lawmakers are eager to move on from their unsuccessful attempts this year to abolish central facets of the law, Trump said, “We are going to pressure Congress very strongly to finish the repeal and replace of Obamacare.”

IMPulse

Intermountain Media Pulse

A TRUETONE INCORPORATED COMPANY

**news
CLIP**

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

FOR YOUR INFORMATION
The Idaho Statesman
Boise, Idaho
Friday Oct. 13, 2017
Staff & Wire Report
Page 3 of 3

The action comes three weeks before the Nov. 1 start of the fifth open-enrollment season in ACA marketplaces for people who do not have access to health benefits through a job. The president predicted that “many” of the nation’s counties won’t have insurers offering plans through an exchange, but the most recent canvass shows all counties that were at risk of not having ACA health plans for the coming year have solved that problem. Idaho will have four insurance companies offering plans on its exchange.

A senior administration official, speaking to reporters on the condition of anonymity before Trump signed the order, said that the policy changes it sets in motion will require agencies to follow required procedures to write new rules and solicit public comment. That means new insurance options will not be available in time for coverage beginning at the start of 2018, he said.

Currently, short-term health insurance makes up a tiny fraction of the policies sold, with fewer than 30 companies covering only about 160,000 people nationwide at the end of last year, according to National Association of Insurance Commissioners data.

Under the president’s order, association health plans will be able to avoid many ACA rules, including the law’s benefits requirements, limits on consumers’ yearly and lifetime costs, and ban on charging more to customers who have been sick. Critics warn that young and healthy people who use relatively little insurance will gravitate to those plans because of their lower price tags, leaving older and sicker customers concentrated in ACA marketplaces with spiking rates.

Selling health plans from state to state without separate licenses — the idea underlying much of the president’s order — has long been a Republican mantra. It has gained little traction in practice, however.

Under Trump’s early executive order Thursday, association health plans no longer will have to be licensed by a state in which they are sold, and they will not need approval under ACA rules, though a senior administration official says they will still need to meet requirements for all types of insurance.

“A lot of the provisions of the affordable care act are drafted by rule, and frankly, we were hoping a little more of those would get reviewed, and maybe they still are. I hope that this is a start.”

— Dean Cameron, director of the Idaho Department of Insurance
by Amy Goldstein for *The Washington Post* and Audrey Dutton

###

Copyright 2017 The Washington Post & The Idaho Statesman