

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
Saturday Oct. 14, 2017
by Ricardo Alonso-
Zaldivar (AP)
Page 1 of 2

Trump's 'Obamacare' cut jolts consumers, politics

WASHINGTON — President Donald Trump's abrupt move to cut off federal payments to insurers jolted America's health care and political worlds alike on Friday, threatening to boost premiums for millions, disrupt insurance markets and shove Republicans into a renewed civil war over their efforts to shred "Obamacare."

Defiant Democrats, convinced they have important leverage, promised to press for a bipartisan deal to restore the money by year's end. That drive could split the GOP. On one side: pragmatists seeking to avoid political damage from hurting consumers. On the other: conservatives demanding a major weakening of the Affordable Care Act as the price for returning the money.

The money goes to companies for lowering out-of-pocket costs like co-payments and deductibles for low- and middle-income customers. It will cost about \$7 billion this year and help more than 6 million people.

Ending the payments would affect insurers because President Barack Obama's law requires them to reduce their poorer customers' costs. Carriers are likely to recoup the lost money by increasing 2018 premiums for people buying their own health insurance policies.

The National Association of Insurance Commissioners estimates that Trump's move would produce a 12 percent to 15 percent upsurge in premiums, while the nonpartisan Congressional Budget Office has put the figure at 20 percent. That's on top of premium increases from growing medical costs.

Experts say the political instability over Trump's effort to undermine Obama's health care law could also prompt more insurers to leave markets. As Trump frequently points out, next year about half of U.S. counties will have only one insurer on "Obamacare's" online marketplaces, up from the one-third of counties with one carrier in 2017.

The scrapping of subsidies would affect millions more consumers in states won by Trump last year, including Florida, Alabama and Mississippi, than in states won by Democrat Hillary Clinton. Nearly 70 percent of the 6 million who benefit from the cost-sharing subsidies are in states that voted for the Republican.

"Congress, they forgot what their pledges were," Trump told conservative activists at the Values Voter Summit, recalling GOP candidates' repeated vows to repeal Obama's law. "So we're going a little different route. But you know what? In the end, it's going to be just as effective, and maybe it will even be better."

He later reiterated his belief that his move would pressure Democrats to bargain over major changes in the law and said, "There's going to be time to negotiate health care that's going to be good for everybody."

Trump's move was hailed by conservative groups including Heritage Action for America and Freedom Partners, backed by the Koch brothers.

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
Saturday Oct. 14, 2017
by Ricardo Alonso-
Zaldivar (AP)
Page 2 of 2

But rallying against it were medical and consumer groups including the American Heart Association, the American College of Physicians and insurance industry behemoths America's Health Insurance Plans and Blue Cross Blue Shield Association.

Idaho, Washington differ in response

Idaho Insurance Director Dean Cameron said the president and Congress could cut individual health insurance rates in Idaho by 20 percent simply by funding the cost-sharing reimbursements. Idaho recently approved rates for next year that show 27 percent increases overall, and 40 percent for silver plans sold on the state insurance exchange.

"We have the hard data — we know what the rates would be," Cameron said in a Thursday interview before Trump announced he would cut the reimbursements. Overall rate increases would drop to 7 percent if the reimbursements were funded, he said, and the increase for silver plans would drop to 20 percent or less.

Cameron, a Republican, said he's not a fan of the Affordable Care Act, but said the federal treasury actually spends much more by not funding the reimbursements. That's because insurers raise rates, which then raises the subsidies that the federal government provides to insurance buyers who meet income guidelines. "It's far more expensive than paying the (reimbursement)," Cameron said. "What I hear from some on the Hill is that they're willing to fund the (reimbursements), but they're not willing to fund it if we can't make other changes as well. So you have it being caught in a political battle and the partisan politics at play."

In Washington, Insurance Commissioner Mike Kreidler said he's considering action to challenge the Trump decision.

"President Trump's decision to halt federal funding is a devastating blow to thousands of people in Washington state and further threatens the stability of our individual health insurance market," Kreidler said in a Friday statement.

— *Betsy Z. Russell and Becky Kramer, staff writers*

###

Copyright 2017 The Spokesman-Review