**Thinking About Health**

**If Idaho ditches the ACA, other states may follow**

***By Wendell Potter, Rural Health News Service***

What happens in Idaho in the coming weeks undoubtedly will not stay in Idaho. What happens there could make a big difference in how much you pay for your health insurance – or whether you can even get insurance.

Idaho’s Republican governor, C. L. “Butch” Otter, signed an executive order last month that, if not blocked by the federal government, will do what Republicans in Washington have not been able to do: turn the clock back to the days before the Affordable Care Act, at least in the state’s individual health insurance market.

The only significant change to the ACA that members of Congress have been able to enact so far is the removal of the penalty Americans must pay to stay uninsured. That was accomplished through a provision of the recently enacted tax reform law. Otter said he viewed the repeal of the penalty as a green light for states to make much more far-reaching changes to rules governing the sale of health insurance.

"Congress and President Donald Trump have eliminated the individual mandate requiring all Americans to buy Obamacare plans or face financial penalties,” Otter said when he announced the executive order on Jan. 5. “That means we will no longer be penalized for buying coverage that doesn't meet all the Obamacare rules. Now the door is open for states to pursue our own reasonable solutions." He said his move would give consumers more choices and lower their insurance costs.

Otter’s executive order would allow health insurers to once again sell policies — and engage in practices — that were made unlawful by the ACA. Although many health care policy experts believe the order is in violation of federal law, the governor is counting on the Trump Administration to look the other way.

Under the proposal, insurers in Idaho would once again be able to charge applicants who are ill or who have pre-existing conditions considerably more than what they charge healthier people. Insurers would also be able to turn down prospective customers because of their health status.

Applicants would be required to complete a questionnaire detailing their health status and past health claims, noting whether they have been treated for conditions ranging from allergies and depression to diabetes and breast cancer. Based on the answers, insurers’ underwriters would determine how much to charge applicants — if they were willing to sell them coverage at all. As they were able to before the ACA, insurers in Idaho would again be able to declare an applicant “uninsurable.”

If the Trump Administration allows the state to move forward, Idaho’s youngest and healthiest residents could soon be paying less for health insurance. Older and less healthy Idahoans, however, could be paying much more.

Under current law, insurers cannot charge older applicants more than three times what they charge younger applicants for the same policy. Under Otter’s plan, insurers would be able to charge older Idahoans five times as much as younger ones.

Insurers would also once again be able to charge co-payments for preventive care and set a $1 million annual cap on claims. And they could sell policies that do not cover maternity care. That could result in many women in Idaho once again paying more for coverage than men.

Blue Cross of Idaho became the first insurer to announce plans to sell policies under the new rules. It said it would begin marketing five new plans next month. They would go into effect in April.

All five plans would include a maximum annual benefit payout of $1 million per person. And premiums would vary based on an applicant’s health. Under one plan, for example, the monthly premium for a 45-year-old in good health would be $104.67. A less healthy person of the same age could pay as much as $525.69. The insurer would also be able to charge an older applicant $1,000 a month for a policy that it would sell to younger applicants for $200.

Blue Cross would continue to sell at least one policy in the state that meets all the requirements of the Affordable Care Act, as required by the governor’s executive order. Blue Cross could not bar people from enrolling in that plan, impose an annual cap on claims, charge women more than men or base the premium on an applicant’s health status. It also couldn’t charge older applicants more than three times as much as younger applicants. Whether that plan would continue to be priced at a point that is affordable for most Idahoans remains to be seen.

The governor and his team insist they are on solid legal ground and believe the Trump Administration will not stand in their way, even though Idaho has not sought a waiver from the federal government to proceed.

When asked during a Feb. 15 Senate hearing what he thinks of Otter’s executive order, Health and Human Services Secretary Alex Azar said he wasn’t familiar enough with it to speculate on any actions his department will take.

“We’ll be looking at that very carefully and measure it up against the standards of the law,” he said.

Lawmakers in other states will also be looking very carefully at what happens in Idaho. If the Trump administration allows the governor’s idea to move forward and the plan survives any lawsuits that likely would be filed, other states might follow Idaho’s lead.

*Are you concerned about how individual states’ actions might affect the future of your healthcare? Send me your questions, concerns and personal stories at Wendell@tarbell.com.*

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