



Analyst says GOP health plan will cost Arizona and other states

Tuesday, March 7th 2017 | By Barbara Grijalva, Reporter

<http://www.tucsonnewsnow.com/story/34691363/analyst-says-gop-health-plan-will-cost-arizona-and-other-states>

Republicans rolled out their replacement for the Affordable Care Act (ACA), also known as Obamacare on Monday, March 6.



They claimed the American Health Care Act will be better and less burdensome.

President Trump said he was proud to support it and hoped it would pass quickly.

However, analysts and governors--Republican and Democrat--have their doubts about the plan being better.

Analysts say that's because this financial plan shifts costs from the federal government to the states and to individuals.

The director of the University of Arizona Center for Rural Health, Dr. Daniel Derksen, said the proposal would not only affect Arizonans covered under the ACA, but also those who are on Arizona's version of Medicaid which is called the Arizona Health Care Cost Containment System, or AHCCCS.

Derksen said even people who have insurance through their employers would be affected.

“The Affordable Care Act also provided protections that an insurer couldn't drop you from coverage if you exceeded a certain annual amount or a lifetime amount. It couldn't deny you coverage or charge you more if you had a pre-existing condition. And while there's some of these provisions in this proposal that try to retain the part that says they can't deny you coverage, it allows much more charges to be put on an individual based on your age. None of the provisions in this particular proposal have to do with income,” Derksen said.

Nearly 200,000 Arizonans are enrolled for coverage under the ACA this year. Nearly 1.9 million Arizonans are in Arizona's version of Medicaid, called the Arizona Health Care Cost Containment System (AHCCCS). About 700,000 of the 1.9 million were enrolled under the Medicaid expansion made possible by the ACA.

In Arizona about two-thirds of the cost of Medicaid goes to cover people 65 and older in long-term care, plus disabled and visually-impaired people.

The other third are children, pregnant women and childless adults.

AHCCCS is considered one of the most effective and cost-efficient Medicaid programs in the country.

Under the proposed Republican formula for Medicaid, Arizona would end up being punished for that, according to Derksen.

“We’re much more cost-efficient than other states so we’d also be punished by being set in a per capita amount. That’s lower than those states that are less cost-efficient. They would get a higher amount and be rewarded for being less cost-efficient,” Derksen said.

Children from poor, working families are covered under the Children’s Health Insurance Program (CHIP), called KidsCare in Arizona.

Enrollment in KidsCare reopened last year thanks to federal funding, adding coverage for more than 15,000 uninsured children.

CHIP is up for federal funding reauthorization this year.

Arizona’s federally-run ACA exchange does have some problems.

The average premium for a mid-level plan is up 116 percent this year, the biggest jump in the country.

There are only two insurance companies covering parts of Arizona, down from 10 or more two years ago.

Many enrolled in the ACA get subsidies to cover the increased cost.

Derksen said a fix for Arizona’s ACA program is to have insurers bid on it with the promise that they would have the contract for at least three years.

The American Hospital Association is against the new American Health Care Act, as it is written. To read the full letter [click HERE](#).

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