

Health Coverage in Rural Idaho

Changes to Medicaid and Premium Tax Credits Would Devastate Rural Communities



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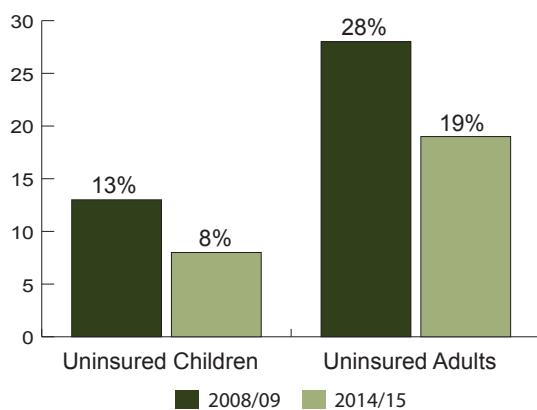
Medicaid coverage and access to premium tax credits on the exchange provide many families – especially those in rural Idaho – with access to affordable health care services. Recent proposals in Washington DC that aim to dismantle Medicaid, replace or reduce tax credits, and remove key consumer protections ultimately put the health of rural Idahoans and our communities in jeopardy.

For Idaho's Rural Children, Medicaid is a Primary Source of Health Coverage

According to an independent study by Georgetown University and the University of North Carolina, Idaho children living in rural counties are more likely to access coverage through Medicaid and the Children's Health Insurance Program (CHIP) than children residing in urban areas. In fact, nearly 40 percent of children in rural Idaho communities rely on Medicaid/CHIP.¹

The researchers found a direct connection between increases in Medicaid and CHIP coverage and reductions in the rate of uninsured children in rural areas. In Idaho, the rate of uninsured children in rural Idaho dropped from 13 percent to 8 percent between 2008/09 and 2014/15 (Figure 1).¹ Access to Medicaid has been shown to improve children's long-term health, educational outcomes, and economic status and provide financial protection for families by reducing exposure to medical debt and limiting out of pocket costs.²

Figure 1: Uninsured Rates for Idaho Children and Adults in Rural Communities



Source: Georgetown University

Medicaid in Rural Idaho: A lifeline for Vulnerable Communities

Medicaid is a vital source of health coverage for Idaho's most vulnerable populations, and it plays an especially significant role in paying for care in Idaho's rural communities. Idaho's Medicaid eligibility criteria is already among the most restrictive in the nation and is limited primarily to low-income children, seniors, and people with disabilities. The majority of Idaho enrollees are children – who make up 73 percent of Medicaid participants.³

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Congressional attempts to dismantle and cut Medicaid would disproportionately harm rural Idaho. Recent proposals have included provisions that would radically restructure federal Medicaid financing by converting the program from a federal match rate to a per capita cap. Under this scenario, states would get less federal funding than under current law, with the cuts growing larger each year. States would be responsible for covering any costs in excess of the cap, even if the cost changes are due to unanticipated health care cost growth or demographic changes. To make up for these cuts, states would have to raise taxes, cut other budget priorities like education, or far likelier, cut Medicaid spending by reducing payments to providers or rolling back eligibility for the program.

Uninsured Rates, Especially in Rural Communities, are Declining as More Idahoans Access Premium Tax Credits on the Exchange

Rural populations have benefited significantly from health insurance premium tax credits provided through the Affordable Care Act (ACA). These tax credits take into account factors such as geographic area and income level to ensure affordability. This is particularly important for rural communities, where premiums tend to be higher because of low population density and higher medical care costs, communities tend to be older and sicker, and a greater share of families tend not to have access to employer-provided health insurance.^{4,5} Last year, over 95,000 Idahoans were enrolled in health plans through the health insurance exchange, with 87 percent receiving premium tax credits.⁶ Of those enrolled, 36,179 lived in rural counties.⁷

Last year, 36,179 Idahoans living in rural counties were enrolled in health plans on the insurance exchange.

The success of Idaho's exchange and wide use of tax credits has contributed to a significant drop in uninsured rates, especially for adults in rural Idaho. Across the state, the rate of uninsured adults in rural communities dropped from 28 to 19 percent between 2008/09 and 2014/15 (Figure 1).⁸

Figure 2: How Will a Reduction in Tax Credits Impact Older Idahoans?

Health Care Costs Under the Affordable Care Act (ACA) vs. the American Health Care Act (AHCA) for a 60 Year Old Idahoan with an Income of \$30,000*

Cost After ACA Tax Credit | Cost After AHCA Tax Credit



*Estimates per person for 2020

Source: Kaiser Family Foundation

Unfortunately, the proposed tax credit changes being considered in Congress would no longer factor in regional disparities that impact the costs of insurance. This would result in dramatic cuts to assistance. Many rural Idahoans accessing coverage through the marketplace would see costs increase more than those in more urban areas. The changes would be most devastating for older Idahoans wanting to stay in their rural hometowns. For example, a 60 year old man from Custer County with an income of \$30,000 would receive \$4,780 less in tax credits under the House-passed American Health Care Act (AHCA). Factoring in premiums under the AHCA, the total cost of insurance on the exchange would be \$8,650 more annually than coverage under the ACA, a 350 percent increase (Figure 2).⁹

Proposals to Cut Medicaid and Restructure Tax Credits Threaten the Health and Well-Being of Rural Idaho

Because more families living in rural Idaho are enrolled in Medicaid or are accessing tax credits than in urban areas, they are more likely to reap the health and economic benefits associated with access to affordable health coverage. Congressional proposals that radically restructure Medicaid and replace the current tax credits would make coverage unaffordable for thousands of Idahoans and would raise the number of uninsured in the state.¹⁰ The harmful effects of such proposals would be particularly severe in rural Idaho.

¹ Georgetown University Center for Children and Families, 2017. "Medicaid in Small Towns and Rural America." See Appendix A for percentage of children on Medicaid by Idaho county.

² Kaiser Family Foundation, 2017. "Three findings about Access to Care and Health Outcomes in Medicaid."

³ Georgetown University Center for Children and Families and the American Academy of Pediatrics, 2017. "State Snapshots Data Sources."

⁴ Center for Rural Policy, 2016. "Health Insurance Marketplaces Rural Trends."

⁵ Centers for Disease Control & Prevention, 2017. "Rural Health Basics."

⁶ Your Health Idaho, 2017. "2016 Annual Report."

⁷ Data obtained from Your Health Idaho, 2017.

⁸ Georgetown University Center for Children and Families, 2017. "Medicaid in Small Towns and Rural America."

⁹ Kaiser Family Foundation, 2017. "Premiums and Tax Credits under the Affordable Care Act vs. the American Health Care Act: Interactive Maps."

¹⁰ Congressional Budget Office, 2017. "American Health Care Act."

Appendix A: Percentage of Idaho Children on Medicaid/CHIP by County

County	Percent of Kids with Medicaid, 2014/15	County	Percent of Kids with Medicaid, 2014/15
1. Lemhi County	53%	23. Minidoka County	41%
2. Adams County	52%	24. Canyon County	40%
3. Lewis County	51%	25. Lincoln County	40%
4. Custer County	50%	26. Elmore County	39%
5. Clearwater County	49%	27. Jerome County	38%
6. Idaho County	49%	28. Payette County	37%
7. Clark County	47%	29. Bingham County	36%
8. Boise County	46%	30. Fremont County	36%
9. Butte County	46%	31. Bannock County	35%
10. Madison County	46%	32. Power County	35%
11. Camas County	45%	33. Blaine County	34%
12. Owyhee County	45%	34. Jefferson County	34%
13. Shoshone County	45%	35. Ada County	33%
14. Boundary County	44%	36. Bear Lake County	33%
15. Nez Perce County	44%	37. Cassia County	33%
16. Valley County	44%	38. Kootenai County	33%
17. Washington County	44%	39. Oneida County	33%
18. Bonner County	43%	40. Twin Falls County	33%
19. Benewah County	42%	41. Bonneville County	32%
20. Latah County	42%	42. Caribou County	32%
21. Gem County	41%	43. Franklin County	32%
22. Gooding County	41%	44. Teton County	30%

Source: Georgetown University Center for Children and Families, 2017. "Medicaid in Small Towns and Rural America."