



Press Release

Thursday, March 9, 2017

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House GOP Plan Would Make Health Insurance Far Less Affordable for Maine Residents

Tax Credits Would be Cut by More than \$2,500 on Average, Making Maine One of Hardest hit States in Nation

Augusta, Maine (Thursday, March 9, 2017) Maine would be among the states facing the biggest cuts to tax credits in the nation under the Affordable Care Act (ACA) repeal plan being considered by House Committees this week, according to new estimates released today by the Washington, DC-based Center on Budget and Policy Priorities. Older and lower-income Mainers would be particularly hard hit by the current repeal plan.

"The House Republican health plan would drive insurance costs so high that many Maine residents could no longer afford it, especially low-income and older people," said MECEP Executive Director Garrett Martin. "Maine's uninsured rate has dropped from 14.6 percent to 11.7 percent as the ACA took effect. This drop in coverage has occurred despite changes in state policy that actually increased the number of people without health coverage. Reversing course at the federal level would jeopardize health insurance coverage for too many Maine people for whom the ACA has provided a lifeline. It would also undermine Maine's already fragile health insurance market and make it harder for hospitals and other health care providers to deliver services throughout Maine," he said.

The report highlights the impact of proposed changes to tax credits that are currently in place to help people pay for private insurance coverage. While tax credits would fall by an average of \$1,700, or 36 percent, for marketplace consumers across all states, they would fall by an average of \$2,549, or 46 percent, in Maine. This would widen the gap between an individual's ability to pay and the cost of private insurance.

A key reason Mainers would be hit particularly hard is that the House plan's tax credits, unlike those in the ACA, would not adjust for geographic variation in premiums. Under current law, a 45-year old with income of \$22,000 could purchase benchmark health insurance coverage for \$1,200 or less anywhere in the country. Under the House plan, she would pay at least \$3,180 to purchase comparable coverage in Maine.

"The GOP proposal would also disproportionately harm rural Mainers," said Martin. "MECEP research shows that the ACA has benefited rural Mainers in particular because of the adjusted tax credits. The GOP plan provides flat tax credits no matter where you live or the cost of health care in your region. As a result, rural Mainers would end up paying substantially more for insurance or be unable to afford it at all."

The reduction in tax credits would be even more severe for lower-income and older consumers. Older people would be hit hard by a provision in the House bill that would let insurance companies charge them higher premiums. Lower-income people would lose help with deductibles, copays, and coinsurance.

House Plan Would Reverse Coverage Gains, Could Destabilize, Individual Market.

President Trump has promised to replace the ACA with a plan that provides "good coverage at much less cost." However, the House plan's severe cuts to tax credits in Maine would almost certainly result in large coverage losses for low- and moderate-income people.

House Plan Would End Medicaid As We Know It.

The House Republican health plan would also radically restructure Medicaid's federal financing system and cut federal Medicaid funding for states over time. This would quickly squeeze the state budget, and lead to cuts in Medicaid coverage and services for seniors, people with disabilities, and families with children.

To read the Center on Budget and Policy Priorities' full analysis of the impacts of the House Republican ACA repeal plan tax credits, please visit: <http://bit.ly/2n9YmwF>.

For county-specific data on the impacts of the House Republican ACA repeal plan tax credits, please visit: <http://kaiserf.am/2ISCgqd>.

To learn more about the impacts on states of the House Republican plan to radically overhaul Medicaid, please visit: <http://bit.ly/2m0sTv4>.

To see MECEP's research on the impact of ACA in Maine, please click [here](#).

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