

How New Proposed Changes to Obamacare Could Affect You

In March, lawmakers in the US House passed a new piece of legislation called the American Health Care Act (or AHCA) that would make several major changes to current healthcare laws, namely the Affordable Care Act (ACA) known as “Obamacare”.

The new proposal, if adopted by congress, could impact you. First of all, it will have an impact on states known as “Medicaid Expansion States” of which Illinois is one. Some estimates suggest some reductions in government payments could be as high as 20% of the State’s total annual Medicaid spending amount.

Also, the eligibility for Medicaid and Tax Credits would change drastically with the new proposal. Currently many more people are eligible than would be under the new legislation. Many of these changes depend upon where incomes fall relative to what is known as Federal Poverty Level (FPL); for 2017, the FPL for an individual is \$11,880 in annual income. For example, individuals making up to \$75,000 annually (620% of FPL) or couples making up to \$150,000 combined (920% of 2017 FPL) may be newly eligible for tax credits ranging from \$2,000 to a maximum of \$14,000 per household. These limits will be increased under the proposed legislation, meaning it could result in decreased health insurance costs for many.

One of the criticisms of the new proposal, however, is that the new tax credits do not increase with age as much as premiums, which could result in increased health insurance costs for those aged 60 and over.

At First Mid Insurance Group, we have a specialty area called our Senior Solutions group that deals with the specific needs and concerns of our Medicare-eligible customers. Please contact us anytime if you are in that situation and would like information.