

Idaho Falls Post Register, Wednesday, May 5, 2010 – by Clark Corbin

Idaho opts out of insurance pool

Gov. C.L. "Butch" Otter has notified federal officials that Idaho will not establish a temporary health insurance pool designed to provide coverage to residents with pre-existing conditions. The so-called high-risk health insurance pools were outlined under the federal health care reform package signed by President Barack Obama in March. The new high-risk pools would have expired in 2014, when insurance companies will no longer be allowed to deny coverage to individuals with pre-existing conditions.

Idaho is among 18 states that opted out of the pool program. The task of establishing health insurance pools in the opted-out states will be left to the federal government. Idaho already operates a high-risk insurance pool that serves about 1,500 residents, and the state would have received \$24 million in federal funds to create a new pool to serve up to 33,000 additional uninsured Idahoans with pre-existing conditions, said Bill Deal, director of the Idaho Department of Insurance.

"Put simply, Idaho cannot afford to subsidize a second high-risk program, especially during these difficult economic times," Otter wrote Thursday in a letter to Health and Human Services Secretary Kathleen Sebelius.

Deal said he led research into the economic impact of a new pool program for Otter, a program Deal referred to as an "unfunded mandate."

Efforts Tuesday to reach AARP Idaho spokesman David Irwin for comment were unsuccessful. Deal said the state currently pays out between \$800,000 and \$1 million per month in claims with its existing high-risk pool program. He said federal officials were unable to tell him how Idaho would secure additional funds if the state exhausted its \$24 million allotment for the new pool.

"Clearly, \$24 million is not sufficient," Deal said. "Why should we burden the citizens of Idaho with additional taxes if the federal government is not going to pick it up?"

The Obama health care package mandates that insurance be offered to individuals with pre-existing conditions at regular market rates. Idaho's high-risk pool charges customers approximately 125 percent of market rates. Deal said he is not aware of any penalties the state might incur for opting out of the plan.

Although Idaho won't be running the program, Deal said HHS will create new high-risk insurance pools for Idahoans. He said details of the program have not been finalized, but said eligible residents should be able to access the program via a new HHS website by July 23.

This isn't the first time Idaho leaders have opposed the federal health care reform package. In March, Idaho Attorney General Lawrence Wasden sued the federal government over the reform package, arguing Idahoans should not be required to purchase health insurance.

"We continue to question the constitutionality of this law and remain concerned about the cost imposed on the citizens of Idaho," Otter said Tuesday in a written statement.