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State implementing some provisions of federal health care reform for its workers

The Idaho state government is following federal health laws when they apply to its own employees by “grandfathering” their health insurance plan. That label means the state doesn’t have to immediately follow all of the changes required under the law, but it also prevents the state from imposing sharp increases on workers’ monthly premiums.

“We’re going to follow the federal health reform, but we’re going to do it at a slower pace,” said Teresa Luna, the head of the Department of Administration, which oversees the state’s health plan for its workers. “In exchange for doing it at a slower pace, we guarantee that we won’t raise rates at an exorbitant manner.”

State lawmakers ordered Luna to keep the state plan grandfathered, though she can report back next year if it would be cheaper to change the plan’s status, which would give the state more options in running its plan. Workers on the state plan are still seeing some of the changes under the federal Patient Protection and Affordable Care Act, sometimes referred to as Obamacare. Children of plan members can stay covered through the age of 26, and pre-existing health conditions of children under 19 must be covered. By 2014, the current lifetime maximum of \$1 million in health benefits will disappear.

Implementing these reforms cost the state approximately \$1.5 million, according to Luna, which is less than 1 percent of the yearly cost of the insurance plan. However, the Idaho state plan and other grandfathered plans across the country don’t need to follow other parts of the federal law. Those provisions include eliminating added payments for going to out-of-network emergency rooms and free preventative care, which includes services such as cancer and blood pressure screenings. [A full list of reforms that don’t apply to grandfathered plans is available at the U.S. Department of Labor’s website.](#)

Luna said she and others monitoring Idaho’s insurance plan are looking to more preventative medicine as a way to keep costs down. “We’re going to start working on a program that will make wellness and preventive medicine more of a focal point,” she said. “We’re hoping to learn more what our costs are and then limit those costs by making the right choices rather than fixing them after things have already gone wrong.”

Leaders of two groups representing state workers, the Idaho Public Employees Association and the Idaho Association of Government Employees, told *IdahoReporter.com* they weren’t familiar with the grandfathered status of the state plan.

To keep the state health plan grandfathered, Luna’s department needed approval from Gov. Butch Otter, who also signed off on [several other waivers to let the state follow the federal reforms](#). The other waivers could bring in almost \$19 million in federal money for programs that the governor’s office said don’t implement some of the controversial reforms. [Idaho is among the majority of states suing to stop implementation of the federal reforms](#)’ requirement that people buy health insurance. Idaho’s case is currently in a federal appeals court and could end up in the U.S. Supreme Court.