

IMPulse

Intermountain Media Pulse

A TRUETONE INCORPORATED COMPANY

**news
CLIP**

11623 Lake Shore
Nampa, ID 83686
(208) 880-9814

FOR YOUR INFORMATION
The Lewiston Tribune
Lewiston, Idaho
Tuesday January 16, 2018
William L Spence
Page 1 of 2

Measures aim to bridge Medicaid gap

Waivers would broaden poorer Idahoans' qualifications for federal subsidies as well as expand eligibility to state program

BOISE - A two-pronged effort to modify federal health care requirements and benefit Idaho's Medicaid gap population crossed its first legislative hurdle Monday.

The House Health and Welfare Committee agreed to introduce legislation authorizing the state Department of Health and Welfare and the Department of Insurance to pursue two waivers to the Affordable Care Act.

One waiver would allow working adults who earn less than 100 percent of the federal poverty level to qualify for federal subsidies on health plans purchased on the state insurance exchange.

The second would expand Medicaid eligibility to include several high-cost, "medically complex" diseases. This would shift an estimated \$200 million in medical claims from the private insurance market to the federal government, allowing private insurance premiums to be reduced by about 20 percent.

"This proposal will make a significant difference in the lives of thousands of Idahoans," said Department of Insurance Director Dean Cameron. "It will provide better coverage and lower costs, and will make a difference for Idaho families who currently don't qualify for premium assistance because their income isn't high enough."

Cameron noted that legal nonresidents in the United States already qualify for premium subsidies under the Affordable Care Act if they earn less than 100 percent of federal poverty. Low-income American citizens don't qualify for those same subsidies, though, because the ACA initially assumed they would be covered by expanding Medicaid.

Idaho lawmakers chose not to expand Medicaid. That left an estimated 78,000 working adults in the gap population - earning too much to qualify for Medicaid but too little to qualify for insurance subsidies.

If approved, the first waiver would treat Idaho citizens the same as legal nonresidents. Cameron estimated it could make affordable health insurance available to about 35,000 people.

The remaining individuals in the gap population still won't qualify for subsidies, he said, because they don't file federal tax returns. (The federal government relies on tax returns to calculate how much of a subsidy each person can receive.)

Lori Wolff, deputy director of the Department of Health and Welfare, said the second waiver would affect an estimated 2,500 to 3,500 people who currently purchase private health insurance through the state exchange.

These individuals have very complex, expensive medical conditions, she said, such as paralysis, multiple sclerosis, certain types of cancer and blood or liver disorders.

Collectively, they only account for about 3 percent of the insurance policies sold through the exchange, Wolff said. However, they generate about \$200 million in claims per year, or 40 percent of all claims paid out through the exchange.

IMPulse

Intermountain Media Pulse

A TRUETONE INCORPORATED COMPANY

**news
CLIP**

11623 Lake Shore
Nampa, ID 83686
(208) 880-9814

FOR YOUR INFORMATION
The Lewiston Tribune
Lewiston, Idaho
Tuesday January 16, 2018
William L Spence
Page 2 of 2

The waiver would allow people with these medically complex conditions to qualify for Medicaid, shifting those \$200 million in claims from private insurers to the federal government.

"By removing \$200 million in costs, we get a more normalized risk market and private insurance rates would decrease about 20 percent for everyone else (who buys insurance through the state exchange)," Wolff said.

Due to lower Medicaid reimbursement rates, this waiver would only increase Idaho Medicaid costs by about \$100 million per year, she said. The state's share of that would amount to \$29.2 million; the governor is recommending that \$11.4 million come from the Idaho Millennium Fund tobacco settlement, with the remainder coming from general fund tax revenues.

The first waiver must be cost neutral for the federal government. Consequently, Wolff said it's inextricably linked with the second, the Medicaid waiver: The second waiver should cut federal insurance subsidies in Idaho by about 20 percent, due to the premium reduction; those savings would then pay for subsidies for the 35,000 additional people who can buy insurance through the state exchange.

"The approach we're taking will improve the health of the (private insurance) pool by addressing those with high-value claims, and by lowering premiums to bring young, healthy Idahoans back into the pool," Cameron said.

Although this dual-waiver proposal has the governor's full support, it won't necessarily see smooth sailing through the Legislature.

Democrats continue to advocate for full Medicaid expansion, saying that's the only option that will provide coverage for everyone in the gap populations. Conservative Republicans also are skeptical of the governor's approach, saying it still results in higher taxpayer costs and increases dependence on the federal government.

Health and Welfare Director Russ Barron said the waivers should be submitted to the federal Department of Health and Human Services within a couple of weeks; actually implementing the changes, however, will be contingent on federal and state approval.

House Health and Welfare Chairman Fred Woods, R-Burley, said an informational hearing will take place in about 10 days to give lawmakers a chance to learn more about the waivers and exactly how they'd work.

###

Copyright 2018 The Lewiston Tribune