

# IMPulse

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**Coeur d'Alene Press**  
Coeur d'Alene, Idaho  
**Friday, February 16, 2018**  
**Betsy Z Russell**  
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## Murray, Otter in war of words over Idaho's health insurance move

Washington Sen. Patty Murray on Thursday criticized Idaho's decision to allow the sale of health insurance plans that don't comply with Obamacare rules as "illegal Idaho junk plans," prompting Idaho Gov. Butch Otter to retort that Washington has sanctuary cities and recreational marijuana – also bucking federal rules.

"Guess what: I think it's a little bit hypocritical," Otter said. "It's interesting where a lot of those 'you have to obey the law of the land' requests are coming from."

Otter said Idaho is trying to "be creative, be dynamic."

Otter's comments to the Idaho Press Club came as both Murray and Oregon Sen. Ron Wyden sharply criticized the Otter Administration's health insurance move. Both senators signed a Jan. 31 letter to federal officials requesting proof that Idaho's move is legal.

"The state of Idaho's new guidelines eviscerate critical protections that are enshrined in federal law and have the potential to destabilize the health insurance market and raise premiums for thousands of consumers and families," the Democratic senators wrote.

Wyden also slammed Idaho's plan at a Senate Finance Committee hearing on Thursday, asking Health and Human Services Secretary Alex Azar to report back to him on how the federal government would intervene to halt Idaho's move. "They are not planning to come to you and ask permission," Wyden said. "They have made the argument that they can just do it on their own."

Idaho Sen. Mike Crapo defended Idaho's move, saying, "I understand what the law is. As I evaluate this, I don't see a violation at all. Idaho is still providing Obamacare-compliant plans for anyone who wants to purchase them, but they're allowing others to have options."

"I simply can't state a view based on media reports around a state's program. But I think what we're seeing here is a cry for help," Azar said. "It's saying that where we are now with our individual market, because of the structure we have, is not serving enough of our citizens, and there are too many citizens who simply cannot afford the insurance packages that we have in our program, because of the way the statute is designed and the way it's been implemented."

"That's why it's so important that we work to give states flexibility," Azar told the senators.

Otter and Lt. Gov. Brad Little signed an executive order in early January allowing the sale of "state-based" insurance plans in Idaho that provide comprehensive coverage, but don't meet all Affordable Care Act requirements.

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The proposal has brought Idaho a wave of national attention, most of it negative – with many experts saying the move is legally dubious. But state Insurance Director Dean Cameron said, “We don’t think that’s true at all. ... We are confident that we are within our legal authority to do what we’re doing.”

This week, Blue Cross of Idaho submitted an application to the state to offer five “state-based” insurance plans, which would be cheaper than ACA-compliant plans, but offer more limited benefits. Blue Cross President and CEO Charlene Maher said in a statement, “Our new state-based plans are a response to Gov. Otter’s executive order, which begins to solve the issues that have kept middle-class Idahoans from buying health insurance. ... This is about affordability and choice.”

Otter said Thursday that he’s “met with other insurance companies as recently as earlier this week” that wanted to look into the proposal.

Otter decried “misplaced criticism” of Idaho’s move in a Feb. 8 letter to Azar, written in response to the Murray/Wyden letter, which also was signed by the ranking Democrats on the House Commerce and Ways and Means committees.

“State-based health plans are not intended to restrict ACA plans or eliminate ACA protections,” Otter wrote. “Rather, they are aimed at giving Idahoans additional choices while ensuring that all ACA protections remain available to those who wish to purchase ACA plans.”

Otter said the new, cheaper plans are aimed at healthy people who are dropping out of Idaho’s individual insurance market because they can’t afford the rising premiums for ACA-compliant plans, and don’t qualify for subsidies. Only carriers who also offer ACA-compliant plans on Idaho’s insurance exchange could offer the new plans.

In addition, Otter wrote to Azar, “Carriers also are required under our Department of Insurance guidance to link together the rates of state-based plans and ACA plans in a single risk pool with a shared index rate. That does not allow carriers to bifurcate their premium rate-setting.”

Otter wrote, “Unless we can bring healthy people back into the market, coverage costs will continue to increase significantly.”

Murray said in a statement Thursday, “Secretary Azar repeatedly testified before Congress that he would adhere to the law, so I hope he will stop insurance companies from selling illegal plans in Idaho that would threaten coverage for people with pre-existing conditions and drive up families’ health care costs.”

She said she’s “doubtful Secretary Azar will do the right thing,” and said that makes it “even more important that Republicans and Democrats in Congress work together in a bipartisan way on steps that will roll back Republican health care sabotage and help prevent the rising costs that Republicans are causing.”

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Crapo said, "I would encourage all my colleagues to review what is actually being done. ... The reality is the efforts being undertaken by the people in Idaho is one to protect and expand the opportunities and access people have to insurance of their choice, insurance that will work for them."

"And yes, it does move away from the notion that the only insurance policy anyone in America should be able to buy is one that this committee or this Congress or this federal government decides they can buy," he said.

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