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**Post Register**

Idaho Falls, Idaho

**Monday Oct. 30, 2017**

**by Kenneth Krell, M.D.**

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## **GUEST OPINION: Idaho health care proposal, Part 2 – The use of waivers**

*A proposed health care plan makes creative use of waivers to develop an “Idaho solution” to some of our state’s health care issues, writes Kenneth Krell.*

**Editor’s note: This is the second in a series of five guest op-eds by Dr. Kenneth Krell. Each will examine aspects of the upcoming Idaho Health Care Plan proposal, built in cooperation with Richard Armstrong, former director of the Dept. of Health and Welfare, current DHW leadership and the Idaho Dept. of Insurance.**

The Idaho Health Care Plan proposes two changes.

As Lisa Hettinger from Health and Welfare explained, in the Affordable Care Act is a provision that legal non-citizens with incomes below 100 percent of Federal Poverty Level (FPL) are eligible for Advance Premium Tax Credits to purchase insurance on the exchange. (An individual must have been in the country five years before being eligible for traditional Medicaid.)

If a waiver could be obtained from the Secretary of Health and Human Services at the Federal level to remove the word “alien” from the provision, then anyone in the state legally could apply for insurance on the exchange who had income less than 100 percent FPL, and be eligible for subsidies, making insurance on the private market more affordable

The details of both provisions get complex. For the exchange-stabilizing provision it is estimated that about 2 percent of individuals on the individual market account for 40 percent of costs. These 2,000-2,500 individuals have end stage cancer, hemophilia, end stage liver disease, multiple sclerosis and some other conditions, and cost the insurance companies on average about \$100,000 per year per patient.

The advantage to the patient is that more of their costs for medical care are covered, including pharmaceuticals, and the patient would receive the coordinated services provided under Medicaid, generally far better than provided by private insurance.

The state will pay \$22 million to cover the 30 percent share the state now pays under Medicaid, since this plan is not Medicaid expansion and thus the feds will pay only 70 percent of costs rather than the 90 percent they would pay under full expansion.

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The advantage to the feds, if they grant the “1115 waiver,” this plan would require their 70 percent for these limited cases will cost about \$75 million rather than the \$600 million costs to the feds if Idaho enacted full Medicaid expansion.

Lori Wolff of the Department of Insurance believes this will cut premiums for those left on the exchange by about 25 percent. Armstrong believes this 2 percent of the populations costs \$200 million per year in insurance premiums. “You stabilize the market literally forever,” he states.

The other provision that takes advantage of that little known statement in the ACA that legal non citizens below 100 percent FPL are exchange eligible requires a separate federal waiver, called a “1332,” to remove “alien” from the wording. The state incurs no costs for that change, since all of the subsidies and tax benefits are obligations of the federal government. But again the costs to the feds, which Wolff estimates at about \$175 million is, for the feds, far less cost than the \$600 million for Medicaid expansion.

And though the plan for using these waivers is creative and could be quite effective, two glaring problems stand out. We’ll look more closely at these downsides on Wednesday.

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