

STATEMENT OF PURPOSE

RS25947C1

This legislation allows the Department of Insurance agency director to apply for and implement a 1332 State Innovation Waiver to provide equal treatment of Idaho citizens as legal non-citizens and allow Idaho families 0-100% of FPL to receive an Advance Premium Tax Credit and purchase private health insurance on Idaho's Health Insurance Exchange (YHI). There are no other changes to eligibility or calculations of tax credits or insurance enrollment through the Affordable Care Act. The only change related to this waiver is to allow Idaho Citizens the same treatment and special rule that is afforded to legal non-citizens who are not eligible for Medicaid. This legislation also modifies chapter 56-256 in Idaho code to allow the Department of Health and Welfare to implement an 1115 Wavier to cover individuals under Medicaid with medically complex conditions in accordance with Department rule for individuals under the age of 65 whose income does not exceed the limit to qualify for a tax credit on the Health Insurance Exchange, who are not otherwise eligible for another Medicaid program, and who do not have access to employer-sponsored coverage. The legislation also allows the Department to implement premiums for a portion of the population under the 1115 waiver. This legislation also requires the Department of Health and Welfare to seek a separate 1115 waiver to pursue work requirements for able-bodied adults receiving Medicaid, consistent with work requirements in other public assistance programs.

FISCAL NOTE

There is a state General Fund impact for the 1115 Medicaid waiver and enabling legislation. The total estimated cost for the complex medical needs waiver is \$100,786,600 with \$71,533,300 in federal funds and \$29,253,300 in state funds (the Governor's recommendation included \$11,428,700 million from the Millennium income fund and the remainder \$17,824,600 million from the General Fund). The total anticipated Trustee and Benefit payments are estimated at \$100,000,000 with a state fund estimate at \$28,860,000 (\$71,140,000 federal funds). The expected personnel costs are four dedicated FTE for a total cost of \$276,600 (\$138,300 in state funds and \$138,300 in federal funds). Operating costs are estimated at \$510,000 (\$255,000 in state funds and \$255,000 in federal funds); \$10,000 of the operating cost estimate are one-time funds. The intent of this investment in creating a Medicaid group to cover complex conditions, is to reduce overall insurance premiums for all individual health plans in Idaho. As health insurance premiums are reduced, it will produce a savings in tax credits paid by the Federal Government through the Department of Treasury for the overall population. These savings will be re-invested to cover the cost of additional tax credits for the new population 0-100% of FPL eligible under the 1332 waiver. The savings generated in federal tax credits proves the cost to implement the 1332 waiver is budget neutral as required by the federal government. There is no state General Fund impact for the 1332 waiver.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).