

Frequently Asked Questions: Idaho Health Care Plan

Waivers 1332 and 1115



Winter/Spring 2018

What is the Idaho Health Care Plan?

The Idaho Health Care Plan is a proposal from Governor Otter that uses two federal waivers* to help Idahoans in the health coverage gap access affordable health coverage on the marketplace and reduce premium costs for Idahoans on the Your Health Idaho exchange.

The 1332 waiver portion of the plan would waive the federal provision that prevents low-income Idahoans from receiving a tax credit to make their coverage affordable. Only working Idahoans would qualify for this program and most would be required to pay a monthly premium for their coverage.

The 1115 waiver portion of the plan allows some Idahoans with high-cost and complex medical conditions (for example, hemophilia, cystic fibrosis and some cancers) to move to Medicaid managed care. These Idahoans would receive a more comprehensive benefit from Medicaid at a more affordable price. This would function similarly to a high-risk pool, a concept that has long been favored by conservatives to cut health insurance costs. By removing the sickest patients from the individual private market, insurance premiums would decrease by 20 percent, compared to the status quo.

Will Idahoans who move to Medicaid get to keep their current health care providers?

The Idaho Department of Health and Welfare estimates that over 90 percent of those eligible under the 1115 waiver would be able to keep their current providers. Eligible Idahoans can choose to apply for coverage under the 1115 waiver. However, the better benefit and lower cost will provide a strong incentive for those with qualifying medical conditions to apply for the program.

Who determines the list of qualifying medical conditions?

Because the 1115 waiver is designed to both increase the quality of care for Idahoans with complex medical needs and reduce costs on the exchange, while limiting the impact to Idaho's budget, medical conditions are chosen based on the number of cases and the cost of those cases. Once finalized, this list will stay the same for the life of the waiver (five years), but could be amended, under the direction of the Idaho Legislature, if costs or quality issues arise during annual reviews.

How many people would get coverage under the plan?

The 1332 waiver could result in as many as 35,000 working Idahoans currently in the health coverage gap receiving affordable coverage by 2019.

The 1115 waiver will likely move approximately 3,500 Idahoans from the state exchange and into managed care. These Idahoans could participate in this program by July 2018, pending federal approval of the waivers.

*The Idaho Health Care Plan originally used two federal waivers. When a bill to implement the plan was introduced in the Idaho Legislature an additional 1115 waiver was added that institutes a work requirement for Idahoans currently on Medicaid. All waivers will require federal approval. Newly eligible Idahoans under the first two waivers will not be directly impacted by the work requirement.

How much will the plan cost and how much could it save?

The upfront state investment for the Idaho Health Care Plan is less than \$30 million. \$17.4 million would come from the state General Fund and \$11.4 million would come from the Millennium Fund to cover the state match under the 1115 waiver.

Between 2013 and 2017 Idaho has saved \$46.3 million in state catastrophic health care costs as more people have received coverage on the state exchange. We can expect these savings to grow when 35,000 Idahoans currently without care gain affordable coverage.

How will the plan reduce health care costs?

The Idaho Department of Insurance estimates the 1115 waiver could result in a 20 percent decrease in premium costs for Idahoans using the Your Health Idaho exchange because some of the costly patients will transition to a Medicaid managed care plan.

The plan will reduce health insurance premiums in an additional way. States that have closed their coverage gaps have 7 percent lower health insurance premiums than states like Idaho. This is because there are fewer uninsured people in the state, which reduces the amount of uncompensated care that raises costs for insured people. When 35,000 uninsured Idahoans become eligible for affordable health coverage, this will put additional downward pressure on premiums.

Is the Idaho Health Care Plan the same as Medicaid expansion?

No. While the 1115 waiver does move a small number of Idahoans to Medicaid managed care, using the traditional match rate to fund that coverage, the Idaho Health Care Plan does not make Idahoans in the coverage gap eligible for Medicaid. Instead, Idaho would request that the federal government waive the restriction that prevents working Idahoans in the gap from qualifying for tax credits to buy coverage on the Your Health Idaho exchange.

Is the Idaho Health Care Plan related to Governor Otter's recent executive order on health care benefits?

No. The governor's executive order in early January will impact health insurance benefits that are different than the benefits Idahoans will receive under the Idaho Health Care Plan. The 35,000 working Idahoans in the gap who would receive a tax credit on the exchange will be covered by plans that include a comprehensive benefit.

For more information go to www.closesthegap.org

