



Closing Idaho's Coverage Gap: The Healthy Idaho Plan

Idaho's Entire Healthcare System is in Transformation: Idaho's healthcare delivery system is currently undergoing transformation, partly driven by the changes in the Affordable Care Act, and partly by decisions made collaboratively by key stakeholders right here in Idaho. Over the past 6-8 years there has been much discussion about shifting more focus to population health management through the use of patient-centered medical homes, which is a team approach to patient care for the best outcomes. Idaho secured a federal innovation grant to speed along the development of medical homes across the state, and to shift the payment system from fee-for-service to fee-for-value. The transition in delivery and payment model should help move us closer to achieving the triple aim of better health, better care and lower costs.

The Medicaid Program is Also Evolving: The Idaho Medicaid program is undergoing a transition from fee-for-service to managed care, with hopes of better managing the health of the Medicaid population while containing cost growth. The Idaho Legislature mandated this shift 4 years ago when they passed House Bill 260, and several parts of the Medicaid program – mental health and oral health -- have already shifted to managed care, with the transition of the medical benefits pending transition soon.

Idaho's Medicaid program currently covers primarily low income children, low income pregnant women and those with disabilities. Adults are typically not covered by Idaho Medicaid; however, the Affordable Care Act offers significant federal support to cover uninsured adults who are currently in a "coverage gap."

The Coverage Gap: The intent through the Affordable Care Act was to cover most uninsured Americans by requiring states to expand their Medicaid programs to cover those below 138% of the federal poverty level (approximately minimum wage in Idaho), and offer affordability subsidies to those from 100-400% of federal poverty so they could purchase private insurance plans through Your Health Idaho (the Idaho health insurance exchange). Since the US Supreme Court decided that Medicaid Expansion should be optional for states, and Idaho decided not to expand Medicaid, Idaho continues to experience a coverage gap for those adults below poverty, who do not have access to subsidies to buy insurance, and do not qualify for Medicaid. These Idahoans often must resort to using emergency departments as their main source of care, a more costly option for several reasons: First, uninsured people often delay care or forego preventative care that they cannot afford meaning they are sicker when they come in. Second for eligible parties, that care is funded through the county & state indigent programs (funded by our property & state taxes) meaning that we pay the bill for those visits, all at an unmatched rate (vs. the Medicaid program that is funded by primarily Federal dollars along with state funds).

Who Falls in the Gap?

- 78,000 adults, primarily working Idahoans: 68% in households with at least one full-time worker; 16% in households with one or more part-time worker
 - Includes 11,000 food service workers, 11,000 construction workers, 7,000 fishing, farming & forestry workers, and 7,000 office/administrative workers
 - Also includes many Idahoans with serious mental illness and/or disabilities (many who are injured/disabled must wait 2 years to qualify for Medicare and in the meantime incur significant costs for their healthcare needs)
 - Idaho has the 2nd highest rate of uninsured veterans (approximately 3200 of these fall below poverty)

Reasons for Idaho to Accept the Healthy Idaho Plan:

- Achieve the triple aim: better health, better care, lower costs
- Use a unique solution developed in Idaho by Idaho citizens, as an alternative to traditional Medicaid expansion. The Healthy Idaho Plan would keep Idahoans from 100-138% of the Federal Poverty level in Idaho's very successful health insurance exchange (Your Health Idaho), while covering those truly in the coverage gap below the poverty line.
- End double taxation to Idaho taxpayers by eliminating wasteful and inefficient county and state indigent programs
- Save money: The Governor's Medicaid Expansion Workgroup studied various options, and the Healthy Idaho Plan has the lowest 10-year net cost to state and local government. By accepting the federal funds that Idaho taxpayers pay into the system to cover uninsured adults, we eliminate duplication and wasteful programs. Without the Healthy Idaho Plan, Idaho will lose \$3.3 billion in federal Medicaid funds and \$1.5 billion for hospital reimbursement over the next decade
- Reduce cost shifting to the insured population from uncompensated care
- Bring Idaho's tax dollars back to the state to create positive economic impact, stimulating job creation and revenues that would not occur otherwise. If we reject the Healthy Idaho Plan, Idaho taxpayers will pay \$1.24 B to extend the program in other states, while receiving nothing in return.
- Protect Idaho employers from coverage penalties