

Implementing the Voter Approved Ballot Initiative to Expand Medicaid

Frequently Asked Questions



Winter 2019

Expanding Medicaid in Idaho Will:

- ✓ Save state and county dollars
- ✓ Grow Idaho's economy
- ✓ Create a healthier, more productive workforce
- ✓ Support the integration of physical and behavioral health care systems in Idaho
- ✓ Improve access to health care for rural communities

What is the coverage gap?

- » Approximately 62,000 Idahoans fall into “the health coverage gap” because they do not qualify for traditional Medicaid (income exceeds \$386 per month for a family of three) but don't make enough to qualify for tax credits to purchase health coverage on the state health insurance exchange. Many of these Idahoans are working parents with hourly jobs such as child care and agriculture, where hours and wages fluctuate and employers don't offer health coverage.

What is Proposition 2?

- » Proposition 2 is the voter passed ballot initiative that passed with 60.6% of the vote. A majority of voters in 4 of 5 Idaho counties supported Proposition 2. Levels of support were high across both urban and rural regions in Idaho. Prop 2 passed by 57% in Bonneville County, 56% in Canyon County, and 67% in Valley County. Proposition 2 expands Medicaid eligibility to Idahoans who make up to 138% of federal poverty level. For example, a family of three making up to \$29,000 a year. The measure became law on November 20, 2018.

What comes next?

- » The Governor's office and the Secretary of State certified Proposition 2 on November 20, 2018. The state now has 90 days (until approximately February 18, 2019) to submit the necessary paperwork to the federal government for approval. The Centers for Medicare and Medicaid Services (CMS) are required to approve Medicaid state plan amendments within 90 days. The Department of Health and Welfare has indicated that enrollment for newly eligible Idahoans under expansion will begin by November 2019 with health coverage starting by January 2020.

What is the Idaho Legislature's role?

- » The only action the Idaho Legislature needs to take during the upcoming session is to appropriate the necessary state share of expansion's costs. By law, the majority of Medicaid expansion expenses are covered by federal dollars, so the state share is just 10% of total cost. State plan amendments are submitted to CMS by the Governor's office and the Idaho Department of Health and Welfare.

Implementing the Voter Approved Ballot Initiative to Expand Medicaid - FAQs

Winter 2019

How will Medicaid expansion be funded?

- » The state will take advantage of federal funds already available to Idaho to pay for 90% of the cost of the program. Close to \$400 million annually in federal tax dollars will come back to Idaho, which will stimulate the economy and, in turn, produce more tax revenue. New state revenues are projected to be approximately \$17 million, with additional revenue accruing at local levels.
- » Most of the state share of costs can be covered by savings and offsets from the indigent and catastrophic care funds, corrections, and behavioral health. In fact, the combined savings and economic impact of expansion is projected to have a net gain of \$4 million to the state budget.¹ Studies show states with Medicaid expansion have realized savings in their state's budget.²

What is the economic impact of expansion?

- » After the first 18 months, during which time the health care system adjusts, Idaho will see substantial savings. By that point, a projected \$20.7 million in additional tax revenue will be generated through sales, excise, and property taxes. New income from health care jobs will support additional local jobs as people have their oil changed, buy groceries, get a haircut, and otherwise spend their money across the state. Over 5,000 jobs will be created in the first full year across all sectors.³

How do we keep the costs of Medicaid expansion down?

- » All savings and economic stimulus rely on full, unmodified Medicaid expansion, as passed by Idaho voters. If additional requirements are added to Medicaid, the state would spend more in administrative, legal and oversight costs to develop the bureaucracy needed to enforce new requirements. In Kentucky alone, programs to restrict eligibility are estimated to cost \$374 million to administer over two years and the state has been mired in lawsuits.⁴
- » Reducing the number of people covered from Medicaid expansion would reduce estimated state savings and diminish the forecasted positive economic impact of the new law.

¹ Idaho Center for Fiscal Policy. (2018). "Fiscal Impacts of Medicaid Expansion" <http://idahocfp.org/new/wp-content/uploads/2018/07/ICFP-Medicaid-Expansion-Fiscal-Impacts-Brief-October-12-Update.pdf>

² Searing, A. (2018). "Actual State Budget Impacts in Five States that Expanded Medicaid" Georgetown Center on Children and Families. <https://ccf.georgetown.edu/2018/11/02/actual-state-budget-impacts-in-five-states-that-expanded-medicaid/>

³ Peterson, S. (2018). "Economic Impacts of Medicaid and Proposed Medicaid Expansion in Idaho."

⁴ Wagner, J. & Solomon, J. (2018) "States' Complex Medicaid Waivers Will Create Costly Bureaucracy and Harm Eligible Beneficiaries" Center on Budget and Policy Priorities. <https://www.cbpp.org/sites/default/files/atoms/files/5-23-18health2.pdf>



What is the impact of Medicaid expansion for rural communities in Idaho?

- » Twenty-eight percent of Idahoans in rural areas are uninsured.⁵ Medicaid expansion will provide a coverage option for many of these residents. Higher rates of health coverage translate to a stronger financial picture for rural hospitals and local health care providers. In states that have expanded Medicaid, there have been fewer hospital closures and better availability of providers, which increases access to care for all residents. Of Idaho's 27 critical access hospitals, 19 currently have a negative operating margin. If those hospitals close, even residents with insurance coverage will have a hard time accessing care in a medical emergency.

How will Medicaid expansion impact Idaho's behavioral health care system?

- » Medicaid expansion will result in health coverage for approximately 20,000 Idahoans with a serious mental illness. Last year, over 49% of indigent care claims were for patients seeking mental health treatment.⁶ Expanding Medicaid will decrease emergency room visits and reduce unnecessary and costly jail time for Idahoans experiencing mental health issues. By decreasing uncompensated care costs, health care costs are kept down for everyone.

Does Idaho Medicaid already have sideboards that limit what services are provided and who can be covered?

- » Existing law bars Medicaid from paying for abortions.
- » Undocumented immigrants cannot receive Medicaid coverage under expansion.
- » During the Medicaid enrollment process, proof of income and identification is required.

⁵Hoadley, J., Alker, J., & Holmes, M. (2018) "Health Insurance Coverage in Small Towns and Rural America: The Role of Medicaid Expansion." Georgetown University Health Policy Institute Center for Children and Families and The North Carolina Rural Health Research Program. https://ccf.georgetown.edu/wp-content/uploads/2018/09/FINALHealthInsuranceCoverage_Rural_2018.pdf

⁶Dutton, A. (2018) "Idaho Paid \$8M for 2,400 psych hospitalizations. Guess how much therapy that buys under Medicaid?" Idaho Statesman. <https://www.idahostatesman.com/news/politics-government/state-politics/article221775140.html>

