

Legislative Report

April 7, 2011

1. Exchange meetings have started:

- a. State of Idaho DOI is conducting "stakeholders" meetings around the state related to the exchange. I have attended the two in the Caldwell area and one in Boise with two more to come. Report-they were not as productive as they could be with more questions than answers. I think those who came were expecting a proposal or two to discuss instead of answers that usually said there was not answer at the time. The meetings were to gather concerns and they were given: cost, options, requirements of the employers, requirements of the employees, where the agents will fit, who will run the exchange, will it be another government agency? And many more concerns.
- b. One more is scheduled in Boise, next Tuesday then the last is Northern Idaho.
- c. The plan is to have a bill ready for the legislature to pass creating the exchange by the legislative session starting in January 2012.
- d. The exchange could then go through some form of testing and be ready to put in place January 2013 and have all the ducks in a row by January 2014 the deadline.

2. Legislative Activity

- a. Memorandum was passed and sent to Washington. Jim is on the next step. Idaho was one of the first states to pass such a memorandum and other states are working on a similar memorandum. It has come at the perfect timing since there now is a bill in the house to move agent commissions outside the MLR calculations.
- b. The rebate amendment has moved through the house. The senate has moved the bill to the floor and it is expected to pass and arrive on the Governor's desk soon.
- c. There has been an ongoing debate on the DOI budget. Federally: There has been a bill introduced in the house to move agent commission out of the calculation of MLR's. I have sent emails to both of our representatives to ask them to co-sponsor the bill. No word as yet. Crapo and Risch have agreed to co-sponsor the bill when it reaches the senate.
- d. If the bill taking the agent commissions out of the MLR process passes many are wondering what the carriers will do. There is no answer as yet but it will take pressure off the carriers to meet the MLR's but that doesn't

mean that the commissions will go back up. We will just have to wait and see.

- e. The house republicans are pushing hard to reduce spending. This is good news but usually when the reduction in spending comes, there is always a push to take money from those who have worked hard to prepare for retirement. Medicare and Social Security will be on the table. For Medicare the current plan is to have those under 55 not be a part of the current Medicare plan. The push will be for more MedAdvantage type plans where Medicare participants will have to pay more of the cost of care. Similar to group or individual plans on the market now. This will cause many to readjust their retirement plans to have money to cover the cost of health care. Long term care will become a hot topic. Medicaid will not be able to handle the cost of care and more and more aggressive efforts on the state's part to recoup money that has been moved out of the estates or money that in the past was exempt may become places for the state to recoup the cost of care.