



Week Eight Idaho Legislative Update for February 27– March 03, 2023

The eighth week of the Sixty-Seventh Idaho Legislature's First Regular Session was full of long committee hearings debating numerous difficult issues. Many bills failed to move forward from committees after hours of hearings and testimony. Yet some bills, including those that directly conflict with current law, continued moving forward as political litmus tests. This is nothing new, but it does create a drain on precious time, and resources, slow the big-ticket items, and good policies working their way through the process. In the next few weeks, we will see floor sessions continue to grow longer and more contentious. With several bills being introduced again this week, committee hearings will become strained and more contentious as well. Beware the ideas of March indeed.

The House and Senate continue working through their floor calendars to meet their March 6th transmittal deadline. The House has started to meet twice a day to debate bills to be sent to Senate, but the Senate has seemed to rack up a laundry list of bills that still need to go through the process in the House. This is partly due to the Senate spending time amending bills and partly due to the Senate's traditional slow and deliberate nature.

The Senate Floor saw their first long and highly continuous bill this session; [SB 1038](#) - Education Savings Accounts (ESA) was taken up on Monday, leading to a nearly two-hour debate. The bill failed on the Senate floor with a 12-23 vote. There are many other versions of this concept working through the legislature this year, but the supporters do not seem to be aligned on how to achieve success for this policy this year and the savvy groups working to oppose the bills were quick to show constitutional and budgeting (cost) issues that were insurmountable.

The House Revenue and Taxation Committee began to hear and introduce more contentious bills this week. Many dealing with urban renewal, impact fees, and property tax. Often the bills that don't progress through this committee, this year, are a result of undue burden or negative consequences on local jurisdictions that were deliberate at worst, or not thought through at least.

There are still many ideas and potential legislation that are in the works to move forward in the coming weeks. We strive to be ahead of the curve to know what these bills do, who they may impact, and how we can help be an effective stakeholder in the negotiations. We have yet to see movement in the Senate on HB 24 – Idaho Launch Program, but we do anticipate it will get a hearing early next week and move forward to the Senate floor for final consideration. We have also heard rumors of a trailer bill to amend it after passage but have not yet seen it.

JFAC continues to work through all agency budgets, asking many questions surrounding increases and changes. As committee members feel the full weight of the budget process and fatigue sets in, there are still hostages being taken by the Committee Co-Chairs in the process. Despite the log jam on voting being behind us, and agencies getting their base budget requests, the cash transfers for big-ticket items continue to be pulled from all budgets and held for future negotiations.

JFAC deliberated on Commerce, IT services, Transportation, Lands, and Health and Welfare budgets and supplementals this week amongst others; each of which passed out of committee after some fanfare. But the glaring absence of the large budget items for water, roads, bridges, parks, and other programs are causing consternation about those line items being leveraged by legislators for tax cuts or other political gains at the expense of strategic one-time investments throughout our state. Numerous budgets are still being adjusted, and with the budget setting schedule consistently changing, everyone is staying on high alert.

All bills from the 2023 Idaho Legislative Session are on the [Idaho State Legislative Website](#). The Governor's Budget Recommendation Highlights can be found [HERE](#). The Governor's Bill Action for the 2023 Legislative Session can be found [HERE](#).



HB 203 – Public School Health Insurance Fund – House Commerce and Human Resources

Amends the dedicated fund for the public school health insurance where schools may buy into the state's medical and dental group insurance plan. It extends the buy in time limit to be allowed from to 2025.

Sponsor: Rep. Furniss (R-31)

HB 200 – Medicaid Managed Care – House Health and Welfare

This legislation would move the current Medicaid system to a Managed Care Model system. The goal is to follow the 41 other states who have all switched to a managed care model. This will cost the state \$1.5 million for the administrative implementation but is anticipated to lower costs an average of 10%. By the end of January 31, 2024, the Department of Health and Welfare must present to the Health and Welfare Committees plans on how to move to a Prepaid Health Plan for Medicaid services, including a competitive solicitation process. This replaces HB 176.

Sponsor: Rep. Redman (R-3)

HB 215 – Pharmacy Benefit Managers – House Health and Welfare

Clarifies the enforcement pharmacy benefit manager code that was added in 2020. If the Director of Insurance finds a PBM in violation, they can be subject to fines, rejection, or revoke of the license, or by imprisonment for up to six (6) months.

Sponsor: Rep. Redman (R-3)

HB 270 – Pharmacy Record Audits – House Health and Welfare

This legislation creates uniform standards and criteria for pharmacy record audits by or on behalf of a pharmacy benefit manager.

Sponsor: Rep. Redman (R-3)

HB 123 – Medicaid Expansion Repeal - House Health and Welfare

This aims at repealing 56-267, Medicaid Expansion, which was passed in 2018. Due to the costs being far more drastic than originally anticipated, the sponsor and others are frustrated with the current expansion. This will also impact other sections where the expansion is referenced. The fiscal note states this will cost the state \$842.4 million due to the federal funding lost and other funds that are currently allocating funds toward the expansion.

Sponsor: Rep. Vander Woude (R-22)

HB 214 – Medicaid Waivers - House Health and Welfare

This would require legislative approval for Medicaid Wavers and state plan amendments created by the Department of Health and Welfare.

Sponsor: Rep. Blanksma (R-8)

SB 1020 - Relating State Health Insurance – (34-1) Passed the Senate - House Floor

Would repeal the requirement for the Office of Group Insurance to publicize rules for determining the eligibility of participants in the state's health insurance plan. The eligibility is determined based on the healthcare provider.

Sponsor: Sen. Guthrie (R-28)

SB 1097- Medicaid Management Information Systems- Senate Floor

This legislation is to add into section Medicaid management information system, that there is created a general fund for future mandatory Medicaid MMIS procurement an installation requirement without requiring a separate request for funding.

Sponsor: Sen. Cook (R-32)



[SB 1111 – Relating to Homeowner Property Tax Relief](#) - Amending Order on Senate Floor

This would be a new section to Chapter 7 Title 63 Idaho code being designated 63-724. This bill would have an impact on property tax relief for the primary residents of Idaho homeowners. The bill will dedicate 4.5% of annual sales tax revenues by subtracting a part of each homeowner's total property tax bill. For 2023, \$205 million will be appropriated from FY 2023 General fund surplus to begin this relief in the first year after the passage of the bill. The fiscal impact on state revenue will be \$205M in the first year and \$150m in the years thereafter. Replaces [HB 77](#) and [SB 1075](#).

Sponsor: Sen. Grow (R-14)

[HB 162 – Virtual Health Care](#) - (69-1) Passed the House – Senate Health and Welfare

This updates the Telehealth Access Act to the Virtual Care Access Act. Allows for virtual health care patient and provider relationships may be established, allowing providers to prescribe prescription drugs. It also adds a new section stating the Idaho Legislature understands virtual care is an additional way that care can be delivered to increase outcomes, early detection, and prevention. Prescriptions may not be prescribed through a set questionnaire online but can be administered through all other virtual care as long as the prescription is for a legitimate medical purpose and is in the provider's scope of practice. The location of the patient, not provider, is what will deem how this allow applies.

Sponsor: Rep. Redman (R-3)

Appropriations and Budgets

Early and Periodic Assessment

FY 2023 for the Division of Medicaid and the addition of \$50,000 from the Cooperative Welfare (General) Fund and \$50,000 from the Cooperative Welfare (Federal) fund, for a onetime net increase of \$100,000.

Motion: Sen. Cook (R-35), Seconded: Rep. Petzke (R-21)

Basic, Coordinated, Enhanced, Expansion- Receipt Authority

FY 2023 for the Division of Medicaid the reduction of \$14,933,200 from the Cooperative Welfare (General) Fund an increase of \$96,727,600 from the Cooperative Welfare Dedicated Fund an increase of \$4,028,800 from the Hospital Assessment Fund, and a reduction of \$56,794,200 from the Cooperative Welfare (Federal) Fund, for a net ongoing increase of \$29,029,000.

Motion: Rep. Nash (D-16), Seconded: Sen. Cook (R-35)

Upper Payment Limit Increase

FY2023 the Division of Medicaid, the addition of \$17,371,000 from the Hospital Assessment Fund and \$193,220,100 from the Cooperative Welfare (Federal) Fund, for a net ongoing increase of \$210,591,100.

Motion: Sen. VanOrden (R-30), Seconded: Rep. Nash (R-16)

[SB 1135 – Department of Insurance Appropriation of \\$10,604,100](#) -Senate Floor

This appropriation is for the departments Fiscal Year authorization to equvalate for full-time positions. Capping the full-time positions at 70.50.

Motion: Sen. Cook (R-32), Seconded: Rep. Tanner (R-14)

Rules

[HERE](#) is the link for the Index of all Pending Rules seeking legislative approval. Committees in both the House and Senate are assigned rules to approve. As a reminder, if a rules docket passes either House or the Senate, they are set to go into effect but need to be enacted by legislation or executive order. Once a pending rule is approved, a (+) symbol will appear in front of the docket number. If a pending rule is not approved by the Legislature a (-) will appear in front of the docket number.



IDAPA 18 – DEPARTMENT OF INSURANCE

- (+) [18-0701-2201](#) - Acquiring Control, Insurance Holding Company Systems and Mutual Insurance Holding Companies (ZBR)
- (+) [18-0702-2201](#) - Reserve Liabilities and Minimum Valuations for Annuities and Pure Endowment Contracts – (ZBR Chapter Rewrite)
- (+) [18-0703-2201](#) - Valuation of Life Insurance Policies Including the Use of Select Mortality Factors (ZBR Chapter Rewrite)
- [18-0708-2201](#) - Property and Casualty Actuarial Opinion Rule – (ZBR Chapter Rewrite)

IDAPA 16 – DEPARTMENT OF HEALTH AND WELFARE

- (+) [16-0309-2201](#) - Medicaid Basic Plan Benefits – (Pending Rule)
- (+) [16-0317-2201](#) - Medicare/Medicaid Coordinated Plan Benefits - (ZBR)

IDAPA 59 – PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO (PERSI)

- (+) [59-0101-2201](#) - Public Employee Retirement System of Idaho (PERSI) – (Notice of Proposed Rulemaking)

Appointments

Appointments approved by Senate Committees, are confirmed by the full Senate.

- Rod Higgins was confirmed by the Senate to the State Insurance Fund Board on January 24, 2023.
- Terry Gestrin was confirmed by the Senate to the State Insurance Fund Board on January 24, 2023.