



Week Nine Idaho Legislative Update for March 06– March 10, 2023

In the ninth week of the Sixty-Seventh Idaho Legislature's First Regular Session both the House and Senate began holding two floor sessions a day to work through their lengthy calendars. Bills have been rearranged to take up bills that are from their chamber first before taking up bills that have crossed the rotunda. We continue to see the Senate move much slower than the House as they take up contentious social issue bills. Both chambers have made significant progress this week. Floor sessions are increasingly longer, which will likely not change until the end of the session. Many committees still have several bills in need of hearing, and with two floor sessions a day, this has become more challenging for Chairmen to get through their packed agendas.

On March 4, 2023, former Governor Phil Batt passed away on his 96th birthday. His services were held this week as he was honored, and laid in state, from Thursday morning through Friday. This week also saw time taken out to honor the passing of Former Representative Del Raybould who passed away on March 2, 2023. The capitol was especially humbling this week as we honored the legacy of these great statesmen and past leaders.

The Senate Commerce and Human Resources Committee finally held a hearing on [HB 24](#) – Idaho Launch Program. This hearing was packed full of testimony, both for and against the bill. After hearing from as many interested parties as possible under a constrained time limit, the committee members debated, and ultimately sent HB 24 to the amending order while they await [SB 1151](#), the trailer bill that adds several new components including private match funding, limits to funding uses, and more legislative oversight to the policy to help it pass the Senate. We expect a hearing on SB 1151 on Tuesday next week.

JFAC continued to work through their list of agency budgets this week with Medicaid and higher education being the most contentious, but still passing out of committee. We continue to see these budgets working through the floors of the House and Senate with minimal debate as the line items for programs have nearly all been stripped from the budgets by the co-chairs. The few items that haven't been pulled out have taken a herculean effort to remain whole.

Subsequently, the JFAC Co-Chairs have amassed over \$2.4 billion in general funds that were not included in budgets as they traditionally have in years past. This has created the largest funding issue in state history. According to the JFAC Co-Chairs, they will be meeting Monday morning to work through how to appropriate the billions in cash transfers. Interestingly, the rest of the JFAC committee members are not invited to the meeting. The negotiations and process for moving forward will surely create fireworks as this comes to a head next week. With only K-12 education budgets, as well as any commitments from pending legislation left to be funded, the last thing for JFAC to do this year is release a \$2.4 billion dollar hostage in a way that can pass the House and Senate floors.

The new jointly crafted property tax bill was introduced this week from Speaker Moyle, Chairman Monks, Ricks, and Grow. [HB 292](#) replaces all other property tax bills and is now the only property tax bill being considered by legislators. The bill aims to provide hundreds of millions in property tax "relief" over the next three years through various pass throughs and shifts. Funds would be pulled from various sources in the state and local allocations. While schools receive a payment from the state, they are forced to cut budgets and limit levies and bonds, and the other local government budgets would take yet another loss. This bill also impacts school district elections, the circuit breaker, the sales tax funded "tax relief fund" which is already empty, and more with twenty (20) pages of tax shifts, new reporting and accountability measures, and property tax "cuts". While it's a new bill, the tactics and methods of cutting local budgets and using other taxes to fund property tax "relief" are all too familiar.

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 Floor

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 – Held in 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 – (61-9-0) Passed the House – Senate 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 291 – Fair Pharmacy Audit Act – House Health and Welfare

This legislation creates uniform standards and criteria for pharmacy record audits by or on behalf of a pharmacy benefit manager. Replaces HB 270.

Sponsor: Rep. Redman (R-3)

HB 292 – Property Tax Relief – House Revenue and Taxation

\$75 million will be used for one-time transfer for property tax relief to homeowners FY 23. The circuit breaker requirements were also changed to state homes under \$400,000 will qualify. Then in FY 24, \$50 million will be used for homeowner property tax relief and \$100 million will be allocated to school districts based on average daily attendance. This may be used for bonds to relieve property taxpayers, and if there is not a current bond they may use the funds for levies, then for future reserve account use. The March election would no longer be eligible for school districts to hold an election. 20% of the way fair account to be utilized in 2025 to give property tax relief.

Sponsor: Rep. Monks (R-22)

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 – (23-12) Passed Senate Floor – House Health and Welfare

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 - (69-0-1) Passed the House – Senate Floor

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 (D-16)



SB 1135 – Department of Insurance Appropriation of \$10,604,100 – Senate Floor

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

Sponsors: Sen. Cook (R-32), 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.