



## **Week Seven Idaho Legislative Update for February 20– February 25, 2023**

The seventh week of the Sixty-Seventh Idaho Legislature's First Regular Session started off slow as legislators took the time to embrace the annual traditions and memorials done on President's Day. As the week sped up, some committees opted out of having meetings, which gave many legislators time back in their day to prepare for the long floor sessions ahead of them. As the calendars continue to fill up with more legislation, we have reached the part of session where floor sessions will begin earlier in the day and take longer, leading to multiple sessions per day. With the transmittal deadline approaching fast, committees are putting time into ensuring bills are getting through the process on time. Chairmen have already made us aware that not all bills that have been introduced thus far will be heard prior to the March 6<sup>th</sup> deadline. The Senate will continue to try rolling unanimous votes on the floor to catch up on their calendar, and the House continues to move through its entire third reading calendar daily.

While the long-awaited hearing on HB 24 – Idaho Launch Program didn't happen this week, there are active conversations on a trailer bill that will add sideboards and bolster some support for the bill in the Senate. We believe this could be the key to getting HB 24 through committee and across the Senate floor. While there is not a hearing scheduled at the time of this report, we will be watching closely for a hearing next week. We will also be able to provide more information on what sideboards the trailer bill may have as we move through next week.

Committee hearings continue to be long and contentious. Yet, we have seen some committees think critically about unintended consequences potential legislation may cause. Many veteran legislators have noted their shock by the number of bills being reintroduced or returned to committee from the floor after issues have arisen. Many bills are being reintroduced on the House side with changes, while the Senate is sending bills needing fixing to the amending order. Each of these bills takes precious time away from the committee and could be the cause of a lengthy and more contentious session.

There certainly has been a growing list of bad ideas and bills that seek limerence among factions of legislators, but the process of committees and the body have been used to slow and stop many of the negative bills while also passing agency and other reasonable legislation. This has included reemployment for law enforcement, financial literacy requirements in high schools, broadband funding, bi-partisan election bills, and more.

As we head into the third and hopefully final month of the session, we expect to see more quarrelsome hearings on big-ticket items including a solution to property taxes in the House Revenue and Taxation Committee. So far, this committee has introduced several ideas but has not had to face a contentious tax bill hearing with various stakeholders and differing opinions. Speaker Moyle and other key legislators will be heavily involved in the crafting of these upcoming tax bills, and we will continue to be active in the discussions as well.

JFAC began setting budgets on Monday, starting with the Office of the Governor's budgets, then moving into mission critical supplementals. With over half the committee being new, the Committee is doing their due diligence to review budgets with a fine tooth comb prior to introducing the budget in committee. There have been a few budgets held up to give the committee members time to research, resolve miscalculations, or allow more time to digest line items. Despite much of the drama to begin the session, JFAC seems to be catching up and working well to pass budgets. It is always amazing to see how fast JFAC moves on agency budgets and how quickly they can get to unanimous votes on many items. There is less public involvement in the traditional process this year, but we remain committed and in daily attendance for budget meetings and hearings.

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](#).



## Policies

### **[HB 203 – Public School Health Insurance Fund](#) – House Education**

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 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) Passes Senate- House Commerce and Human Resources**

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 1111 – Relating to Homeowner Property Tax Relief](#) - Senate Local Government and Taxation**

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 78- Relating to Property Taxes - House Revenue and Taxation**

This would amend Idaho Code Section 63-602G. This would restore an annual index based on the sales prices of Idaho's homes. The legislation would reestablish the homeowner's exemption amount as an accurate representation of sales prices of Idaho single-family residences. This would preface the Property Tax Fairness Act. It would enhance this by promoting fairness to all categories being the owner-occupied properties, irrespective of differences in assessed values, the percentage of assessed valuation eligible for exemption increases from 50%-55%, so long as it does not exceed \$224,360 in 2024.

**Sponsor Rep Skaug (R-12)**

#### **HB 79- Relating to School Property Taxes – House Revenue and Taxation**

The purpose of this legislation would be to provide immediate, ongoing, and permanent property tax relief to school districts. It would provide \$300 million to districts based on average daily attendance. The order of payments from priority order would be payment of school bonds, school levies, expenses necessary to provide for safe school facilities and address life, safety, and health issues, and lastly school facilities that need construction. This bill would eliminate 2 of the 4 election dates that districts can run elections. It would also increase the homeowner's exemption to \$150,000, and the limitations for individuals to qualify for the circuit breaker. Both cities' and counties' obligation to fund public defense is eliminated and the funding source is permanently moved to an ongoing source of revenue.

**Sponsor: Rep Moyle (R-10)**

#### **SB 1097- Medicaid Management Information Systems- Senate 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.

#### **HB 162 – Virtual Health Care - House 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 (R-16)**

### **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.