



## Week Eight Idaho Legislative Update for Feb. 24 – Feb. 28, 2025

Every legislative session is unique, in some cases defined by seismic policy fights, pre-primary election posturing or budgetary standoffs that stretch the session weeks beyond a Sine Die deadline predicted by even the savviest of state political pundits. But before we start the annual guessing game of when the Idaho Legislature will adjourn, let's take a moment to note the differences this session.

What makes this legislative session stand out is the fundamental shift we're seeing in the way leadership, specifically House leadership, is approaching the question of balancing revenue and spending. The established approach to balancing the state's budget has been to set revenue targets first, then meet those targets with heavily scrutinized spending decisions on agency budgets, policy initiatives, and socking money away. Once this is done, the Legislature begins the task of finding dollars for tax relief. This has been the tradition and process for decades.

This year, House leaders are flipping the script. This new approach is evident in the way the House pushed through massive tax cuts – valued at more than \$450 million annually – early and before reaching consensus on budget forecast numbers or program requests. This effectively cemented House Speaker Mike Moyle's determination to make cutting taxes the top priority for this year's work and set the stage for all that comes next.

But the change in status quo has injected a bit of chaos and paralysis into the session's eighth week. For example, two out of the three big tax bills – cuts to income and sales tax on groceries – are stockpiled in the Senate, awaiting floor debates or tweaks. To protect its negotiating position, the House is holding the property tax bill as a bargaining chip.

The ability of the policy committees to determine the impact of legislation and rules, and their associated costs, is more ambiguous than ever. Subsequently, many old programs are being considered for cuts or repeal. New programs are scarce at this point. The shift is also slowing the pace for making spending and policy decisions elsewhere as maintenance budgets are just hitting the House and Senate. JFAC is ramping up enhancement budget decisions without showing any savings in time from the budget process adopted by the committee a year ago.

The only major tax policy to clear so far is [HB 93](#), the \$50 million child tax credit for private schools. It was signed into law this week by Gov. Little thanks perhaps in part to a [nudge](#) from President Trump encouraging Little to sign it. So far, it's safe to call this the crowning achievement of the most conservative Legislature in Idaho history.

While policy bills continue to meander through the committee and floor process, many have been rejected or held by committee chairs. While the deadline for sending bills to the opposite chamber arrives Monday, we still expect to see a healthy number of new ones to be endorsed for consideration by the House Ways & Means Committee.

Here's a snapshot of where things stand as we reach March. There are deals to be made over healthcare/Medicaid and education program cuts. There are water issues to resolve, transportation puzzles to solve and tax cut decisions for the Senate. All of this will be playing out as the tensions and impatience we mentioned last week intensify.

We are at the point where the Governor is treating bills. You can track activity on his [website](#) and clicking the Daily Tracker. Most will get his signature, but he's shown that allowing laws to go into effect without it has advantages. There is always a veto possibility, but that move always raises the question of how the House and Senate will respond.

All bills for the 2025 session can be found on the [Idaho State Legislative website](#). Interested in finding your legislator? Visit [HERE](#). Daily reading calendars and agendas are found [HERE](#). As usual, we're available if you have questions.



## Policies

### **[HB 138](#) - Medicaid Expansion Conditions – Passed the House (38-32-0) – Senate Health and Welfare**

Requires able-bodied individuals to work or volunteer 20 hours per week at a minimum. This applies unless the individual is under 19 or over 64 years of age, certified as physically or mentally unfit for employment, pregnant, parent or caretaker of a child under 6, receiving unemployment compensation, or participating in a drug addiction or alcohol treatment program.

The gross income at 100% poverty level will receive an advance premium tax credit to purchase a qualified health plan the Idaho Health Insurance Exchange. This caps the Expansion population at 50,000. Caps the improper payment at 5% or less and added biannual redetermination requirements. Adds a lifetime limit of 36 months for Medicaid Expansion program.

**Sponsor: Rep. Redman (R-3)**

### **[HB 345](#)- Managed Care Medicaid – House Health & Welfare**

Repeals the value care program and replaces with a comprehensive managed care Medicaid program across the state along with several waivers: (1) working requirements, (2) Advanced premium tax credit for those at or above 100% above the federal poverty level, (3) changes to redetermination of eligibility, (4) Prohibits coverage of gender reassignment surgery. FQHC's and other federally qualified health organizations are exempt from any value-based agreements. There are some changes to the Hospital Assessment Fund to be continuously appropriated. Lastly, if there are large increases in state funding required, then the department of health and welfare is granted authority to take any action necessary to offset any increases (reduction in provider reimbursement, benefit reduction, etc).

**Sponsor: Rep. Redman (R-3)**

### **[HB 76](#) – Medicaid Value Based Contract Timeline – House Health and Welfare**

Stipulates that any agreement between the Department of Health and Welfare and any provider/health system have a one-year duration aligned with the States' fiscal year (July 1 – June 30). This allows for legislators to review performance from the prior contract/fiscal year ahead of the next session.

**Sponsor: Rep. Vander Woude (R-22)**

### **[HB 116](#) - Small Employer Carrier Insurance Repeal – Passed the House (68-0-2) – Senate Floor**

Aimed at repealing the Idaho Small Employer Carrier Reinsurance Program, which was enacted in the early 1990's to promote the availability of small employer health insurance coverage in Idaho, by providing a safety net to carriers. However, with the introduction of the affordable care act, there has been no membership or activity of this program since 2016 and it is no longer needed.

**Sponsor: Rep. Redman (R-3)**

### **[HB 31](#) - Medicaid Payer of Last Resort – Passed the House (68-0-2) – Senate Floor**

This bill clarifies responsibility for any Medicaid-eligible individual who also has third-party coverage, to accept the state's authorization for a service or item that the third-party requires authorization for, if the state plan covers the service or item. This ensures that Medicaid is always the payer of last resort.

**Sponsor: Rep. Redman (R-3)**



**[HB 38](#) - Idaho Life and Health Insurance Guaranty Association Act – Passed the House (46-23-1) – Senate Floor**

Updates the Act originally passed to protect consumers when an insurer becomes insolvent. Updates to clarify that certain companies are not eligible for coverage under the Act; adjusts coverage determinations for high-risk, long-term care; requires health insurance CO-OPs created under the ACA to become members of the ILHGA and removes a cap on annual association membership fees.

**Sponsor: Rep. Ehlers (R-21)**

**[HB 62](#) – Medicaid Fraud & Tax Commission – Passed the House (69-0-1) – Senate Floor**

Allows the Department of Health & Welfare (DHW) to enter into a memorandum of understanding (MoU) with the Tax Commission to share tax information as part of Medicaid fraud investigations. This enables a faster and more accurate method for obtaining gross adjusted income, rather than issuing subpoenas for banking information.

**Sponsor: Rep. Fuhrman (R-30)**

**[HB 71](#) - Uniform Standards-Insurance – Passed the House (69-0-1) – Senate Floor**

The intent of this legislation is to provide uniform standards for insurers and registered insurance holding companies to file the Group Capital Calculation and Liquidity Stress Test, two key regulatory tools for monitoring solvency. Defines terms for the Group Capital Calculation and the Liquidity Stress Test and companies that may be exempt, as well as insurer information confidentiality and safety measures. No fiscal impact.

**Sponsor: Rep. Crane (R-13)**

**[HB 72](#) - Risk Mitigation Services (Insurance) – House Business**

Prohibits unfair trade practices by amending Idaho Code to allow insurance providers or producers to provide value-added products or services at no or reduced cost when these products are not specified in the policy of insurance. This applies to products or services designed to provide mitigation, reduce claim costs, enhance health and incentivize behavioral changes. The cost to the insurer or producer offering the product or service must be reasonable in comparison to the customer's premiums or insurance coverage for the policy class. The product or service will be offered in a manner that is not unfairly discriminatory. No fiscal impact.

**Sponsor: Rep. Cornilles (R-12)**

**[HB 90](#) – Public Assistance, Legislative Action – Passed the House (65-2-3) – Senate Health & Welfare**

Modification of eligibility criteria to clarify that any change that would expand eligibility criteria for a public assistance program or expand the benefit of a public assistance program must be authorized in statute and not provided in rules, state plan, agency guidance or any other documents.

**Sponsor: Rep. Vander Woude (R-22)**

**[HB 117](#) - Insurance Data Security, Breach Reporting - House Business**

Requires that insurance companies with 50+ employees be required to maintain data storage, maintenance, and security standards for the safety of Idaho citizens. If any breach identified, they also would be required to report the finding.

**Sponsor: Rep. Redman (R-3)**

**[HB 134](#) – Breast Cancer Screening – Passed the House (62-6-2) – Senate Health & Welfare**

Allows for coverage of supplemental breast cancer screening for persons of heightened risks, including genetic predisposition, prior radiation therapy and other factors. Coverage applies to health insurance plans other than Medicaid or self-insured ERISA plans. There is likely to be a fiscal impact.

**Sponsors: Rep. Green (D-18), Rep. Healey (D-15), Rep. Rubel (D-18)**



### **[HB 135](#) – Illegal Aliens Health, Social Benefits – Health and Welfare**

Amends Idaho Code to remove certain non-emergency health care benefits and social benefits for illegal aliens residing in Idaho. The bill would not require verification of lawful presence in Idaho for emergency health care, short-term non-cash disaster relief, or programs at short-term shelters. Also further defines lawful presence in Idaho.

**Sponsor: Rep. Redman (R-3)**

### **[HB 136](#) – Transparency in Drug Pricing Program – House Health and Welfare**

Adds new section to Idaho Code to establish provisions related to the 340B drug pricing program. Defines 340B covered programs and sets criteria for those programs to report before April 1 of each year to DHW, Attorney General and State Controller.

**Sponsor: Rep. Redman (R-3)**

### **[HB 201](#) - Medicaid, Value Care Minimums – House Health and Welfare**

Raises minimum risk of Value Care Organizations to 40% starting July 1, 2026. Then each fiscal year, the VCO must take on 10% more risk. Until FY 2029, where VCOs will be required to take on 70% risk moving forward.

**Sponsor: Rep. Redman (R-3)**

### **[HB 219](#) - Health Insurance, Cost Sharing - House Health and Welfare**

Establishes provisions regarding cost-sharing requirements for health benefit plans. Defines the terms “cost-sharing requirement” and “health care service” and includes enrollee transparency guidelines. Would require health insurance companies to apply toward the insured’s copay, deductible and out-of-pocket maximum those payments made by a third party for the benefit of the insured.

**Sponsor: Rep. Cannon (R-30)**

### **[HB 241](#) - Public Health District Boards - House Health and Welfare**

Amends code to ensure members of district health boards are elected officials, rather than employed county staff, or unelected residents of the district. This bill also requires  $\frac{2}{3}$  of a vote to remove a member of a board and changes terms of service from five to two years.

**Sponsor: Rep. Pickett (R-27)**

### **[HB 14](#) - Idaho Code Cleanup Act – Signed into Law**

## **Appropriations and Budgets**

This is where appropriations and budgets of interest will appear as introduced in the session.



## 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, the rules docket needs to pass both the House and 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.

### Department of Health and Welfare

(+) (+) [16-0309-2401](#) – Medicaid Basic Plan Benefits (ZBR Chapter Rewrite) – Proposed Rule

### Appointments

On January 20, 2025, Alex Adams was confirmed by the Senate as the Director for the Idaho Department of Health and Welfare.

On January 23, 2025, Steve Landon was confirmed by the Senate to the State Insurance Fund Board

On February 5, 2025, Tara Malek was confirmed by the Senate to the Idaho Health Insurance Exchange Board