



## Week Nine Idaho Legislative Update for March 3 – March 7, 2025

The Idaho Capitol was a hive of activity this week, evidenced by vigorous and exhaustive debates in committees and the floors of both chambers. There are results to report, including the passage of several significant new policies. Tensions remain high. We are seeing the byproducts of deals negotiated behind the scenes. This is all expected as we continue into the third month and week ten of the 2025 session.

Monday's transmittal deadline spurred the chambers to focus on clearing the reading calendars of bills from their side of the rotunda. This caused contentious bills in the House and Senate to be held for several days as leadership worked to clear the logjam of dozens of bills that for whatever reason curried broad support.

Lawmakers briefly set aside differences to take in the programming and festivities for Idaho Day on Tuesday. Then it was right back to work as the Senate launched into debate on [HB 40](#) – the income tax cut bill and top priority of House leadership. The \$250 million income tax cut ultimately cleared the Senate on a 27-8 vote and was quickly signed into law by Gov. Little yesterday. This is the [largest tax cut in state history](#) and continues four years of major tax reform by the Legislature.

Passage of HB 40 set the stage for other tax cut bills to move quickly, including the House approval of a \$100 million property tax relief bill. It now awaits consideration in the Senate. The Senate also passed [HB 231](#), the grocery tax credit increase bill. These bills combined with the income tax cut, equal over \$450 million in tax cuts. The fall out of this is now being felt as JFAC grapples with budget cuts.

As we peer into the crystal ball, it's worth noting that the greenlight given to the major policy bills in a way clears the path to consider a Sine Die timeline. The Joint Finance and Appropriations Committee (JFAC) finally set the FY 26 General Fund Revenue numbers, the day after the income tax bill passed, which determines how much cash is available to set the remaining FY 26 budgets.

Since the setting of the projected revenue number was delayed drastically, JFAC missed its budget setting deadline of March 6<sup>th</sup>. JFAC will continue next week and beyond trying to set budgets. The committee will then find out if they need to revamp any appropriations that fails to pass either chamber. Adding to this heavy burden, was continued and major fights in JFAC Friday morning that surpassed what would typically flare up on spending bills. So much so, that Speaker Moyle was called by the Co-Chairs to intervene and help get the committee to move forward. We anticipate the friction and discord to continue throughout the remainder of session. With the Legislature's constitutional obligation to set all budgets before going home, more of the appropriation bills will likely find their way into multiple competing motions and failures to pass as items are cut or amended and the ability to balance all funding looks different after massive tax cuts.

Also, this week, amid Idaho Day traditions and major policy advancements, hundreds of citizens poured into to the Capitol to have their voices heard. In most cases, however, they failed to influence lawmakers. This has become more normalized over the last several years and is a reminder that the minds of committee members are often made up before public testimony on policy begins. There is the occasional exception. This week the Senate Health and Welfare committee considered [HB 245](#) and its call to expand foster care services. Despite handwringing from conservative lawmakers over increasing costs, the bill advanced thanks in part from gripping testimony from a foster parent and child, proving that it's still possible for the smallest and most vulnerable Idahoans can still make a difference in shaping policy.

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](#). All Governor Little's daily bill action tracking sheet can be 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 Floor**

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)**

### **HJM 7 - Medicaid Waivers - House Health and Welfare**

A House Joint Memorial to call on the US Department of Health and Human Services to approve the pending Idaho Medicaid Waivers that have been sent since fall 2019. These waivers include family planning, alcohol and drug treatment, work or educational requirements, and rules preferring that newly eligible Medicaid recipients first apply for public assistance through the state's insurance exchange.

**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) – Passed the Senate (33-0-2) – Sent to the Governor**

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) – Passed the Senate (34-0-1) – Sent to the Governor**

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) – Passed the Senate (20-13-2) – Sent to the Governor**

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) – Passed the Senate (35-0-0) – Sent to the Governor**

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) – Passed the Senate (33-0-2) – Sent to the Governor**

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) – Held in 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 Floor**

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 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 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 366](#) - 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. This replaces [HB 241](#).

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

### **[HB 385](#) - 340b Prescription Program- House Health and Welfare**

Protects and expands the 340b, prohibiting pharmaceutical manufacturers from interfering with delivery of drugs, or imposing restrictions on program participation. Also ensures that safety-net clinics in rural areas can partner with local pharmacies to distribute discounted medications, safeguarding affordable healthcare access for underserved communities.

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

### **[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