

Week Ten Idaho Legislative Update for March 10 – March 14, 2025

Week 10 brought high drama, ego, some good old-fashioned politics, horse trading and major wins and losses – depending on one's perspective. Plain and simple, lawmakers delivered a little bit of everything this week. So much accomplished, and yet, so much left to do.

Frustration reached a boil several times this week, most notably when a handful of members of the Joint Finance and Appropriations Committee (JFAC) walked out of the meeting, momentarily leaving the budget setting panel without a quorum. The walkout came days after a publicly frustrated JFAC co-chair put the committee at ease and left his seat, prompting House Speaker Mike Moyle to pay a visit and admonish members to get back on track.

Amid the tensions and disagreements on process and procedures, JFAC reached agreement on some of their enhancement budgets. Despite the progress, the committee kicked dozens more into the coming weeks, sinking plans to meet a deadline to have all budgets wrapped up this week. The delay all but assures the session will continue well beyond the hoped-for March 21 end date and stoke rumors the session will spill into April.

There were also moments of chaos and confusion on the House and Senate floors. A rare and successful procedural motion resurrected a bill dealing with wildfires and utilities after it was amended and killed. It's now awaiting a second round of amendments in the Senate before another Senate floor vote. In the House, a botched attempt to execute a "call of the house," a maneuver that would force every house member to return to their desks, resulted in an early adjournment and a heated caucus meeting the next day. The antics and the growing bitterness reveal a general lack of decorum and statesmanship that for decades defined late-session dynamics in the legislature.

In spite of it all, some big steps were taken. The House and Senate successfully negotiated a Medicaid compromise. In just seven days, a reform bill moved through both chambers and was sent to the Governor's desk. The <u>legislation</u> not only reforms Medicaid, but adds work requirements and introduces the managed care model into the state system.

Here's some other highlights from the week. The Governor signed legislation increasing the grocery tax credit. He also endorsed the firing squad as the preferred method for execution, making Idaho the only state in the nation to do so. Two resolutions calling for Idaho to support a Convention of States (ConCon) as a means for tinkering with the U.S. Constitution failed. This marked another rare moment when a measure backed by House leadership was called up for a vote without a caucus and lacking support to get the bill across the finish line. The Senate is poised to debate <u>HB 304</u>, which cuts an additional \$100 million from local units of government for property tax relief.

A bill we singled out last week that enables foster care recipients to receive support and services until they are 23 years old cleared the Senate and awaits Gov. Little's signature. This represents another success from the new leadership team at the Department of Health and Welfare to bolster the foster care program in Idaho.

At this point, the biggest lift heading into Week 11 is getting the agency budgets in order. It's important to note that the challenge in establishing these budgets is one that lawmakers created, thanks to the massive tax relief approved so far. As a result, JFAC members are looking for loose change between sofa cushions and GOP leadership, at least at this point, is showing no mercy for budgets they believe don't trim enough to meet the lower revenue target. As proof, see the rejection of Department of Finance and State Liquor Division budgets.

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



Policies

HB 345- Managed Care Medicaid – Passed the House (69-9-0) – Passed the Senate (29-6-0) – Sent to the Governor 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 117 - Insurance Data Security, Breach Reporting - House Floor

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 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. Fuhriman (R-30)**

<u>HB 71</u> - 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 90 – Public Assistance, Legislative Action – Passed the House (65-2-3) – Passed the Senate (30-5-0) – Sent to the Governor

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 Floor

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 – House Floor

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 – Passed the House (67-0-3) – Senate Floor

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 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

HB 31 - Medicaid Payer of Last Resort – Signed into Law

Appropriations and Budgets

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

Rules

<u>HERE</u> 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