



## May 2025 Report

The halls of the Idaho Capitol are empty and quiet again, except for the occasional visitor's tour or the shrieks of students on a civics field trip. Legislative staff and agency leadership are beginning to return to work after taking much needed time away. The lines for lattes and lunch in downtown Boise are so much more manageable. Welcome to the legislative offseason, the time of year that is less intense and harried but no less busy and critical to the work we're doing to meet your goals and objectives.

Before we dive into what to expect over the next few months, here's some interesting tidbits to share since lawmakers left town a few weeks ago. The Governor's Office has been busy treating bills post session. This is due in part to the legislature forgoing the Supreme Court mandate to wait five days for the Governor to treat all bills before adjourning. Let the record reflect that Gov. Little signed nearly everything sent to his desk.

He did, however, exercise his veto authority on a bill that was quickly redrafted, passed by the legislature and later signed pertaining to "Medical Health Freedom." The veto of [SB 1023](#) wasn't the only one this session. The Governor singled out a unique budgetary line item in [HB 482](#) to preserve about \$650,000 in an emergency fund to be used at his discretion. This could create a lawsuit between the legislature and the Governor, or it could be ripe for the legislature to attack during the next legislative session.

How busy was the session? Well, by nearly every metric, it was a record year. Lawmakers set new records for pages of passed legislation, code sections repealed and amended, bills introduced in both houses and new bills prepared. As Idaho continues to be fertile ground for think tanks and "bill mill" organizations to test policy, we expect this trend to continue. We anticipate even more activity next year considering all 105 legislators will be up for re-election and the all-important May primaries.

Ok, now for a roadmap of sorts for what to expect during the spring and summer. If we haven't already, the BB&A team will be reaching out to recap all that transpired during Q1 and the 2025 legislative session. Now is also the time to begin plotting strategy in preparation for next year's session, which will undoubtedly be more volatile than the last few months. We also expect to take a more defensive posture next year due to limited and specific opportunities for new or continued funding.

We are scheduling meetings with agency heads and staff right now as they focus on next year's priorities and budgets, as well as bracing for anticipated changes in funding and programming coming down from the DOGE process in Idaho and Washington, D.C. The next four months also provide opportunities to meet individually with lawmakers in their districts and as they return to Boise for meetings. We love to take advantage of the access this time of year because it comes without the schedule demands and formality of the session, and ultimately these one-on-ones are ideal for educating decisionmakers on your budgetary and policy goals.

Our team has already been attending and monitoring rulemaking sessions and agency meetings, and we will continue to do so and provide real-time updates as necessary. Earlier this week, we attended the Boise Metro Chamber of Commerce Regional Leadership Conference, which attracts some of the Treasure Valley's most prominent business and political leaders. This year the conference will focus on workforce development, education and leadership.

You may have seen that Gov. Little [signed a new executive order](#) intended to bolster forest management activities, reduce wildfire risk and better manage firefighting. While we applaud the administration for bringing attention to this issue, we believe there is more the Governor, the Land Board, and the Department of Lands, can be doing in terms of education, prevention, mitigation, and suppression for fire in Idaho and forest health in Idaho. We'll continue to work with leadership to adopt some of the tools and technology available to reduce fire risk.



## April 2025 Monthly Notes

During the period post legislative session, the BB&A team attended the Medicaid Advisory Committee on April 23<sup>rd</sup>. Here is a summary:

### 2025 Legislative Recap -

- Very much focused on child welfare budget
- HB 345 - The biggest reform bill for Medicaid Idaho has ever seen for the program
  - Sets stage for applying for federal waivers (1115).
  - Work requirements/community engagement. 2019 waiver application is still pending today. Some slight modifications. Need to determine how to handle the new request vs the pending request. Pathway with CMS not set for states to apply for this type of waiver and no guidance exists.
  - Eligibility waivers (redeterminations twice per year, and move away from auto redeterminations)
  - Choice waiver - originally failed in 2019. Choice to be on state exchange or Medicaid expansion plan. Having exploratory conversations on how to handle this waiver request. Anticipate bringing options to legislature.
- These waivers would be for all Medicaid participants. Need 17 FTP to manage workload based on existing membership.
- Managed Care - Entire delivery system to managed care. This needs a long runway as the transition will take years. Presenting end of May to legislative oversight committee. Launching new claims system in 2027, risks to launching things closely together. Hiring consultants. 41 other states have done this, so will want to glean best practices. Discussing statewide contract for multiple MCO's. Needs to be feasible for plans, providers, and for IDHW to administer. There was significant feedback around MCO transparency, reporting methodology, auditing/oversight.
- Increased cost sharing requirements introduced. Working through what that looks like and how to operationalize. There are federal limits not to exceed 5 percent of a family income. Many providers don't collect copays today.
- Hospital designations, sight neutral payments, etc. also need to be worked through.

\$5.2B total funds budget was approved. All enhancement requests were mission critical due to federal requirements or litigation. Keeping the lights on budget.

### Federal Authority Recap

Two 1115 waivers were set to expire in March but have been extended through September to go through another 5-year cycle.

### Idaho Behavioral Health Plan Update

- Current contract with Magellan. Recently received network maintenance plan (annually). Biggest highlight was network wait times have changed since launch last July. Non-emergent started with 8.96 days, went down to 8 days. Urgent wait times were 108 hours; now down to 28 hours. Workforce development and cultural competency was brought up as a gap in their network.
- For the next fiscal year, working to increase psychological residential treatment facility network, expand wraparound care coordination services, and their home and community services programs.
- Residential treatment approval/denial rates (2024 numbers): 419 requests for, 240 approved, 61 denied, 118 withdrawn.
  - More drill down data is being requested to understand patterns regarding denials and withdrawn requests.



### Duals Implementation Update

- United Health starting June 1, 2025, BCBS terminated May 31st.
- United offering IM+, not MMCP until 1/1/26 plan due to CMS reporting timing mid-year.
- Molina offering both plans
- Updating FAQ's and holding webinars leading up to the transition.
- ~8k members remaining who need to make a decision to switch or automatically transferred to United.
- Lots of questions around rate setting, network adequacy efforts, and making sure provider reimbursement isn't negatively impacted with this transition.

### Legislative Policies

#### **HB 345- Managed Care Medicaid – Signed into Law**

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 138 - Medicaid Expansion Conditions – Passed the House (38-32-0) – Held in Senate Health & 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 58 - Repeal of Medicaid Expansion – Held in House Health and Welfare**

This bill would repeal the Medicaid Expansion program (Idaho Code 56-267) as of July 1, 2025. This fiscal note estimates a savings of \$110 million a year, which is what the state spends every year on the Medicaid Expansion population.

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

#### **S 1201 – Department of Health & Welfare, Division of Medicaid FY26 Enhancement – Signed into Law**

includes appropriations for the Hospital Assessment Fund, the federally required Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys, expenses for the Adult Developmental Disabilities Resource Allocation model required by court order, actuary contract amendments, the federally required External Quality Review contract for Managed Care Organizations, year four of the MMIS procurement process, and population forecast adjustments. This bill also provides the appropriation to move Extended Employment Services from Services for the Developmentally Disabled to the Division of Medicaid as part of the department's overall reorganization totaling \$674M.



**Sponsors: Sen Bjerke (R-5), Rep. Furniss (R-31)**